

LOBBYING IS NOT A 4 LETTER WORD

Lessons from **The Lobbying Strategy Handbook:**
10 steps for advancing any cause effectively

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What is lobbying?

In the simplest terms, and according to the Center for Lobbying in the Public Interest, it is attempting to influence legislation. Advocacy is the broader umbrella that involves influencing public opinion & public policy.

Regarding legislation it means:

- Taking a position
- Communicating with law-makers
- Telling the public how to vote
- Urging your members to vote

Nonprofits can lobby through the Insubstantial test

Which, just to be confusing, is also known by the IRS as the Substantial part test. What the IRS says is that ALL nonprofits may lobby as long as those activities do not comprise a substantial part of what the organization does. In other words, nonprofits may dedicate an insubstantial amount of resources to lobbying. The tricky part is that the IRS doesn't define what it means by "insubstantial."

OR, nonprofits can
choose the Expenditure
Test, also known as 501
(h) election

Form 5768 (Rev. September 2009) Department of the Treasury Internal Revenue Service	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	
<p>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 ending.....and all subsequent tax years until revoked. (Month, day, and year)</p> <p><i>Note: This election must be signed and postmarked within the first taxable year to which it applies.</i></p>			
<p>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)</p> <p><i>Note: This revocation must be signed and postmarked before the first day of the tax year to which it applies.</i></p>			
Under penalties of perjury, I declare that I am authorized to make this (check applicable box) ► <input type="checkbox"/> election <input type="checkbox"/> revocation on behalf of the above named organization.			
..... (Signature of officer or trustee)	 (Type or print name and title) (Date)

The Expenditure test

NPs may spend 20% of the first \$500,000 of their annual expenditures on lobbying (\$100,000), 15% of the next \$500,000, and so on, up to \$1 million dollars a year!

Direct Lobbying under expenditure test

- It is when you take your case directly to elected officials or their representatives.
- This includes, for example, when you lobby someone from the board of supervisors or city council. Interestingly, lobbying school committee members is not considered lobbying according to the IRS.
- When you call upon your members to take action – for example, asking people to contact a specific legislator to support a particular bill, that is ALSO direct lobbying. The members of your nonprofit are considered part of your organization and therefore, are lobbying directly.
- The IRS permits you to spend all of your money on direct lobbying.

Grassroots Lobbying

- Grassroots lobbying is when you issue a “call to action” to the general public – urging them to support a specific piece of legislation and to take action on it.
- You are allowed by law to spend ¼ of your permissible expenditures on grassroots lobbying.

Lobbying Ceilings Under the 1976 Lobby Law

<i>Annual Exempt-Purpose Expenditures</i>	<i>Total Direct Lobbying Expenditures Allowable</i>	<i>Total Grassroots Lobbying Expenditures Allowable</i>
Up to \$500,000	20% of exempt-purpose expenditures up to \$100,000	One-quarter of the total direct lobbying expenditure ceiling
\$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 over \$1 million	\$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

Under 501 (h) You're not lobbying when...

- Influencing regulations
- Communicating with members
- Testifying
- Discussing broad, social, economic issues
- Doing nonpartisan research
- Self-defense lobbying

You cannot endorse a candidate for office

Money for lobbying can come from...

- Special events
- Membership dues
- Operating grants from foundations (unless otherwise specified)

Decide whether to make the 501 (h) election.

Review the laws for your city, county, and state to see if you or your organization are required to be registered as a lobbyist.

Make sure you have systems in place to track your time carefully for IRS compliance.

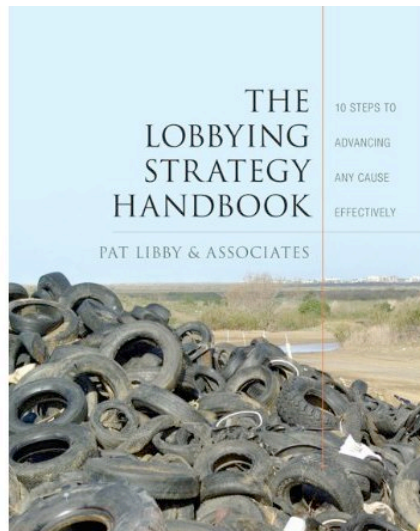
AND...

Alliance for Justice

www.afj.org

Center for Lobbying in the Public Interest

www.clpi.org



Available at:

www.amazon.com/The-Lobbying-Strategy-Handbook-Effectively/dp/1412996163/ref=sr_1_1?ie=UTF8&qid=1338844427&sr=8-1