

Guidance for Non Profit or Federally Funded Organizations

NAEA offers the following guidance for its members in regard to their lobbying and other political activity. The federal tax laws limit the political activity of 501(c)(3) non-profit organizations. Failure to abide by these restrictions could endanger an organization’s tax-exempt status. Additionally, if your organization receives federal funding for abstinence education programs, further restrictions on your political activity can be found in OMB Circular A-122 and the Byrd Amendment (31 U.S.C. §1352). This fact sheet should be helpful in determining what activities are permissible for your organization.

This guidance has been developed with the assistance of NAEA legal counsel, Womble Carlyle Sandridge & Rice, PLLC, which has expertise in political law and lobbying regulation, and the laws governing non-profit organizations. This guidance is not offered as legal advice. Specific situations should be addressed with your organization’s counsel.

Please Note: This information only addresses federal laws and regulations that impact your organization’s interactions with legislative and executive branch officials. It does not address state laws that may impact your organization’s political activities. It also does not address the permissibility of any gifts or meals that might be provided to legislators or other government officials.

Activity	501(c)(3) Non-Profit Organization	Organizations That Receive Federal Funds
Membership in NAEA	No restrictions on membership	Federal funds may be used for membership. However, federal grant monies cannot be used for lobbying activities. Since 50% of NAEA activity is lobby related, federally funded members must either: <ul style="list-style-type: none"> ▪ Pay for at least 50% of membership fee with non-federal funds ▪ Request that NAEA exclude 100% of your membership fee from lobby activity.
Attendance at NAEA conferences and meetings	No restrictions on attendance	Federal funds may be used to attend NAEA conferences and meetings at which “technical information” is disseminated and which do not entail scheduled meetings with Members of Congress or staffers. Travel costs associated with attendance are also allowable.
Lobbying: <i>Lobbying includes communications intended to influence lawmakers to introduce, approve or defeat legislation or to influence lawmakers or executive branch officials to take action regarding a federal grant.</i>	The amount of time permitted for lobbying depends on the IRS designation the 501c3 organization selected. The amount allowable usually varies from 3% to 20%. Non-profits can complete a one-page IRS form to make the “501(h) election”. This designation permits non-	Federal funds may not be used for lobbying. Therefore, grantee employees who receive all or a portion of their salary from federal funding, may attend legislative sessions or contact their Member of Congress <u>regarding legislation</u> on “unpaid” time only. Federal funds may not be used to encourage others to participate in letter writing or telephone campaigns, to attend rallies or marches, or to engage in other

<p>This includes:</p> <ul style="list-style-type: none"> ▪ Visits, calls, letters and emails to Members of Congress or the Executive Branch ▪ Contacting others to encourage them to call or visit their Member of Congress 	<p>profits to spend up to 20% of their budget to influence legislation.</p> <p>http://www.irs.gov/pub/irs-pdf/f5768.pdf</p> <p>Be sure to carefully document all lobby activities</p>	<p>efforts to influence federal legislation.</p> <p>Federal funds may not be used to communicate with Executive Branch officials to influence any decision in regard to the award, extension, modification or amendment of any federal grants.</p> <p>Organizations must use non-grant funds to engage in lobbying activities subject to the federal tax law restrictions applicable to 501(c)(3) organizations.</p>
<p>Non Lobbying Interaction With Congress & the Executive Branch</p>	<p>No prohibition, unless specific legislation is referenced (see above)</p>	<ul style="list-style-type: none"> ▪ Grantees may invite Members of Congress to visit their organizations to observe how abstinence education organizations work. ▪ Federal grantees may use federal funds to produce and send informative newsletters and other updates on activities and accomplishments of their programs to members of the public, news media, and government offices, including, but not solely to Members of Congress and other policy makers, as long as the newsletter does not encourage action on legislation or a federal grant. ▪ Grantee employees may provide technical and factual information to Members of Congress and Congressional employees in response to a written request for such information from a Member or committee. Travel may not be charged to grant funds. ▪ Grantees may provide information specifically requested by an Executive agency.
<p>Campaign Activities This refers to contributions to and endorsement of candidates for office</p>	<p>Non-profit organizations are prohibited from making any federal, state or local campaign contributions</p> <p>Non-profits are prohibited from otherwise participating in federal, state or local elections through endorsements, publicity or similar activity.</p>	<ul style="list-style-type: none"> ▪ Grantees are not allowed to contribute to federal, state or local candidates with federal grant funds. This covers in-kind contributions as well. (Incorporated and some LLC organizations are prohibited from making any federal campaign contributions, regardless of the source of the funds.) ▪ Grantees are not allowed to influence federal, state or local elections through endorsements, publicity or similar activity.
<p>Participation in <u>state or local</u> activities designed to affect policy decisions</p>	<p>State level lobbying is governed the same way as federal lobbying for IRS purposes. Interactions with</p>	<p>Grantees may:</p> <ul style="list-style-type: none"> ▪ Provide technical and factual information in response to a written request by a state legislator

	<p>state agencies regarding the implementation of abstinence education programs are not, however, considered to be lobbying under the Internal Revenue Code.</p> <p>Refer to your individual state guidelines for additional guidance.</p>	<ul style="list-style-type: none">▪ Lobby to influence state legislation in order to reduce directly the cost of performing the federal grant or in order to avoid circumstances that would impair its authority to perform a federal grant. <p>Grantees may not distribute publications or otherwise communicate with state legislators to influence legislation</p>
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