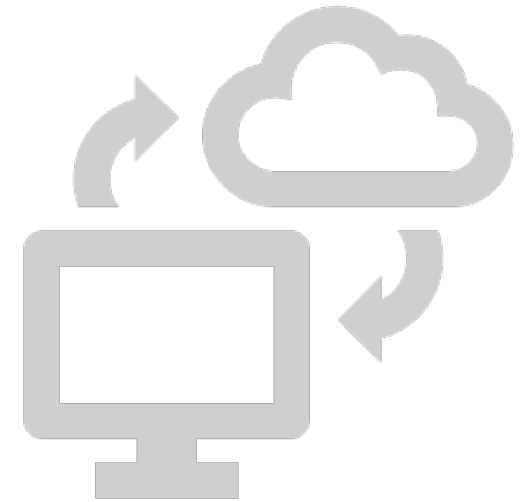


LOBBYING-POLITICAL ACTIVITY: DO'S AND DON'TS FOR EXEMPT ORGANIZATIONS



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TODAY'S PRESENTERS



AMANDA VANNATTA
SENIOR MANAGER



DAVE GOCH
PARTNER



TERESA SALEMI
DIRECTOR



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- ✓ EXPERT ACCOUNTING AND AUDITING SERVICES
- ✓ FOUNDED MORE THAN SIX DECADES AGO
- ✓ OVER 700 NONPROFIT CLIENTS IN ALL NONPROFIT SECTORS THROUGHOUT THE UNITED STATES AND INTERNATIONALLY
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LEARNING OBJECTIVES



TERESA SALEMI
DIRECTOR, YPTC

HOW WILL WE HANDLE QUESTIONS DURING THE PRESENTATION?

- ▶ **TERESA SALEMI WILL BE MODERATING TODAY'S SESSION**
- ▶ **FEEL FREE TO TYPE QUESTIONS INTO THE CHAT BOX THROUGHOUT THE PRESENTATION**

LEARNING OBJECTIVES

IN THIS WEBINAR WE WILL DISCUSS:

- ✓ THE IRS DEFINITION OF TERMS
- ✓ REVIEW OF ACTIVITIES THAT ARE ALLOWABLE AND WHICH ARE PROHIBITED
- ✓ REVIEW SPECIFIC ISSUES DIFFERENT TYPES OF NONPROFITS FACE
- ✓ REVIEW RED FLAGS SO YOUR ORGANIZATION REMAINS COMPLIANT
- ✓ SUMMARIZE POSSIBLE REPERCUSSIONS FOR VIOLATING GUIDELINES

POLL QUESTION #1

POLL QUESTION #1:

LET'S GET A SENSE OF WHO IS IN THE WEBINAR TODAY. WHAT KIND OF EXEMPT ORGANIZATION ARE YOU AFFILIATED WITH?

- 501(C)(3)**
- 501(C)(4)**
- 501(C)(5)**
- 501(C)(6)**
- 527**
- OTHER EXEMPT ORG**

DEFINITION OF KEY TERMS

POLITICAL CAMPAIGN ACTIVITIES:

ALL ACTIVITIES THAT SUPPORT OR OPPOSE CANDIDATES FOR ELECTIVE FEDERAL, STATE, OR LOCAL PUBLIC OFFICE. IT DOESN'T MATTER WHETHER THE CANDIDATE IS ELECTED. A CANDIDATE IS ONE WHO OFFERS HIMSELF OR IS PROPOSED BY OTHERS FOR PUBLIC OFFICE.

POLITICAL CAMPAIGN ACTIVITY DOESN'T INCLUDE ANY ACTIVITY TO ENCOURAGE PARTICIPATION IN THE ELECTORAL PROCESS, SUCH AS VOTER REGISTRATION OR VOTER EDUCATION, PROVIDED THAT THE ACTIVITY DOESN'T DIRECTLY OR INDIRECTLY SUPPORT OR OPPOSE ANY CANDIDATE.

DEFINITION OF KEY TERMS

LOBBYING ACTIVITIES:

ALL ACTIVITIES INTENDED TO INFLUENCE FOREIGN, NATIONAL, STATE, OR LOCAL LEGISLATION. SUCH ACTIVITIES INCLUDE DIRECT LOBBYING (ATTEMPTING TO INFLUENCE THE LEGISLATORS) AND GRASSROOTS LOBBYING (ATTEMPTING TO INFLUENCE LEGISLATION BY INFLUENCING THE GENERAL PUBLIC).

DEFINITION OF KEY TERMS

ADVOCACY:

ADVOCACY IS THE PROCESS OF STAKEHOLDERS MAKING THEIR VOICES HEARD ON ISSUES THAT ARE IMPORTANT TO THEM OR THEIR ORGANIZATION AT THE LOCAL, STATE, AND NATIONAL LEVEL. IT ALSO MEANS HELPING POLICYMAKERS FIND SPECIFIC SOLUTIONS TO PERSISTENT PROBLEMS. MOST NONPROFITS CAN AND DO ENGAGE IN AS MUCH ADVOCACY AS POSSIBLE TO ACHIEVE THEIR GOALS. WHILE ALL LOBBYING IS ADVOCACY, NOT ALL ADVOCACY IS LOBBYING.

ADVOCACY VS. LOBBYING

ADVOCACY EXAMPLES	LOBBYING EXAMPLES
EXPLAINING TO YOUR MEMBER OF CONGRESS HOW A FEDERAL GRANT RECEIVED BY YOUR ORGANIZATION ASSISTED YOUR CONSTITUENTS.	ASKING YOUR MEMBER OF CONGRESS TO VOTE FOR OR AGAINST, OR TO AMEND PROPOSED LEGISLATION.
EDUCATING A MEMBER OF CONGRESS ABOUT THE EFFECTS OF A POLICY ON YOUR CONSTITUENTS.	EMAILING A “CALL TO ACTION” TO YOUR MEMBERS REQUESTING THEY CONTACT THEIR CONGRESS MEMBER IN SUPPORT OF ACTION ON PROPOSED LEGISLATION OR PENDING REGULATIONS.
INVITING A MEMBER OF CONGRESS TO VISIT YOUR ORGANIZATION AND WITNESS THE EFFECT OF FEDERAL FUNDING OR POLICY AND HOW IT DIRECTLY AFFECTS YOUR OPERATIONS.	PREPARING MATERIALS OR ORGANIZING ACTIVITIES IN SUPPORT OF LOBBYING ACTIVITIES.

ALLOWABLE AND UNALLOWABLE ACTIVITIES

ALLOWABLE:

- ▶ DIRECT LOBBYING COMMUNICATIONS
- ▶ GRASSROOTS LOBBYING COMMUNICATIONS
- ▶ EXCEPTIONS TO LOBBYING

UNALLOWABLE:

- ▶ POLITICAL CAMPAIGN ACTIVITIES FOR 501(C)(3)S

ISSUES NONPROFITS SHOULD BE AWARE OF

RULES ARE DIFFERENT FOR DIFFERENT KINDS OF ORGANIZATIONS:

- ▶ 501(C)(3)S
- ▶ 501(C)(4)/(5)/(6)
- ▶ PACS – 527 ORGANIZATIONS

POLL QUESTION #2

POLL QUESTION #2:

DOES YOUR ORGANIZATION HAVE A PAC ASSOCIATED WITH THEM?

- YES**
- NO**
- NOT APPLICABLE**

WHAT ARE THE REPERCUSSIONS?

REPERCUSSIONS ARE DIFFERENT DEPENDING ON THE AGENCY:

- ▶ IRS
- ▶ FEC
- ▶ STATE LAW

POLL QUESTION #3

POLL QUESTION #3:

HAVE YOU HAD ANY CONCERNS WITH ACTIVITIES OF YOUR ORGANIZATION IN REGARD TO LOBBYING OR POLITICAL ACTIVITIES?

- YES**
- NO**
- NOT APPLICABLE**

FINAL DOS AND DON'TS

DO:

- ▶ **ADVOCATE** FOR YOUR NONPROFIT'S MISSION
- ▶ **UNDERSTAND** YOUR ORGANIZATION'S NONPROFIT DESIGNATION: (C3), (C4), (C5), OR (C6) TO ENSURE COMPLIANCE WITH THE VARIOUS POLITICAL ACTIVITY ALLOWED
- ▶ CONSULT YOUR ATTORNEY OR TAX ACCOUNTANT (AUDITOR/990 PREPARER) **BEFORE** ENGAGING IN ANY POLITICAL ACTIVITIES
- ▶ **TRAIN** YOUR STAFF, VOLUNTEERS, AND BOARD MEMBERS ON THE APPROPRIATE RULES AND REGULATIONS
- ▶ **ENSURE** THAT STAFF, VOLUNTEER, AND BOARD MEMBER **COMPLIANCE** IS MONITORED AND **EDUCATION IS AN ONGOING PROCESS**

FINAL DOS AND DON'TS

DON'T:

- ▶ **ENGAGE** IN POLITICAL ACTIVITY PRIOR TO CONSULTING YOUR ATTORNEY OR TAX ACCOUNTANT (AUDITOR/990 PREPARER)
- ▶ **ASSUME** YOUR STAFF, VOLUNTEERS AND BOARD MEMBERS UNDERSTAND YOUR NONPROFIT ORGANIZATION'S DESIGNATION AND THE APPROPRIATE RULES AND REGULATIONS FOR YOUR NONPROFIT ORGANIZATION
- ▶ **TRAIN** STAFF, VOLUNTEERS, AND BOARD MEMBERS ONE TIME ONLY; THIS MUST BE A CONTINUING PROCESS

FINAL DOS AND DON'TS

RIPPED FROM THE HEADLINES EXAMPLES:

▶ CITIZENS FOR BALANCED USE:

- ▶ AT RISK 501(C3) STATUS DUE TO COMPLAINTS OF EXCESSIVE LOBBYING FROM WATCHDOG GROUPS

- ▶ <https://missoulacurrent.com/outdoors/2019/09/citizens-for-balanced-use/>

▶ FREEDOM FOUNDATION:

- ▶ EXCESSIVE LOBBYING COMPLAINTS FILED WITH THE IRS

- ▶ <https://www.eastidahonews.com/2020/04/freedom-foundation-accused-of-disobeying-irs-rules-by-encouraging-idahoans-to-disobey-governor/>

QUESTIONS OR TIPS TO SHARE?



CONTACT INFORMATION



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