

# Advocacy 101 for Foundations + FOTH 2024 Training February 15, 2024

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*With Forefront Policy Team*

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# Agenda

- Philanthropy Serving Organizations & Public Policy – Alec Lopata
- Advocacy Rules: Federal – Susan Finkle Sourlis
- Advocacy Rules: State and Local - Holly Ambuehl
- Foundation Advocacy in Practice – Susan & Carrie Davis
- Election Year Considerations – Susan, Holly, & Angie Jean-Marie
- Q&A + How to Get More Involved - All participants
- FOTH Training – Alec Lopata

# Philanthropy Serving Organizations (PSOs) & Public Policy

Alec Lopata, *Forefront*

# Forefront Policy Program



**We are The Health and Human Services Coalition of Illinois.**



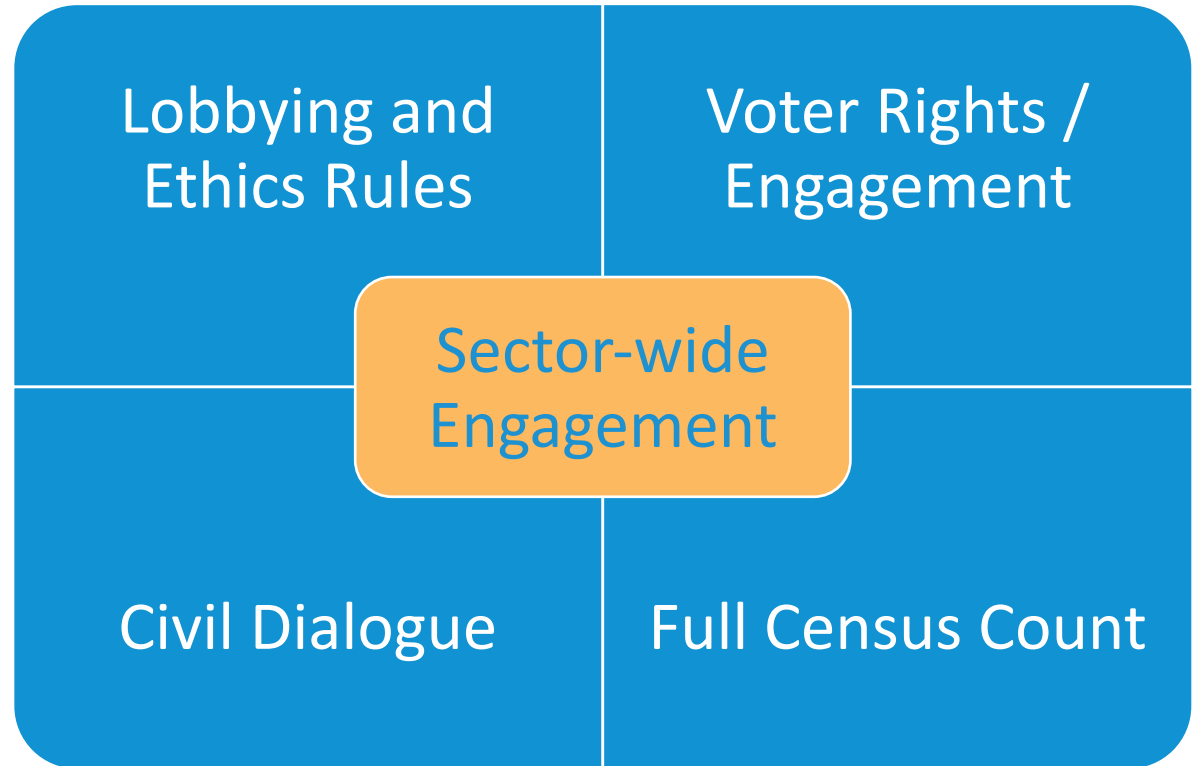
# Forefront Policy Program

## Position Statement:

We defend democratic participation and civic engagement.

All Forefront Positions:

<https://myforefront.org/policy-updates/our-positions/>



# Advocacy Rules 101: Federal

Susan Finkle Sourlis, *Bolder Advocacy - FEDERAL RULES*

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Every good lawyer needs a disclaimer.....

# Federal Rules: Comparing Tax-Exempt Organizations



# FEDERAL RULES

Examples

501(c)(3)  
*Private Foundations*



501(c)(3)  
*Community Foundations & Public Charities*



501(c)(4)  
*Social Welfare Organizations*



Tax Treatment

Tax-exempt  
Tax-deductible contributions

Tax-exempt  
Tax-deductible contributions

Tax-exempt

Lobbying Activities

Extremely Limited

Limited

Unlimited

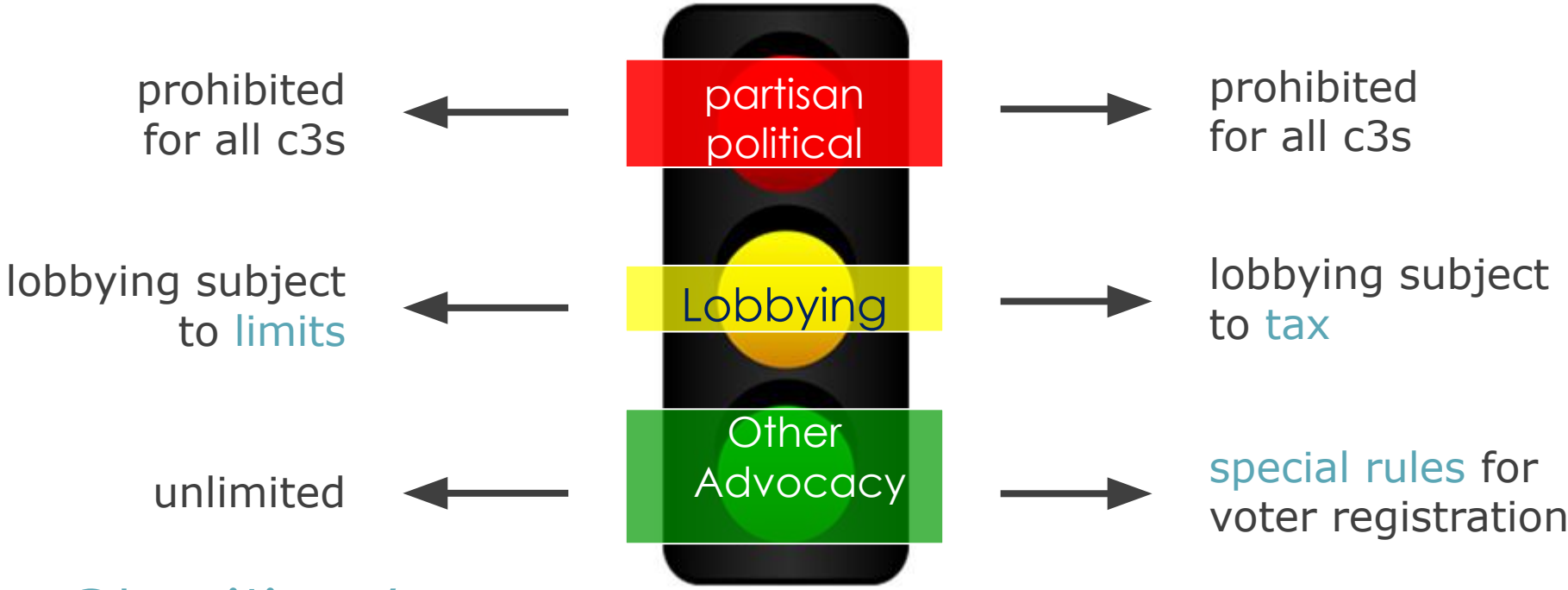
Electoral Activities

Cannot support or oppose candidates

Cannot support or oppose candidates

Secondary Activity

# Federal Rules: Advocacy Stoplight for Public Charities vs. Private Foundations



Public Charities /  
Community Foundations

Private Foundations

# Federal Rules for Public Charities: Two Options to Measure Lobbying

## Insubstantial Part

- Default test for all 501(c)(3)s
- No clear definition of lobbying
- “Insubstantial” is about 3-5% of an organization’s activities
- Based on paid and unpaid activities

## 501(h) Expenditure

- One time election (file w/IRS Form 5768)
- Clear definitions of lobbying
- Dollar-based formula to calculate lobbying limits
- Only spending counts, not volunteer time



# Federal Rules: What is Lobbying? Tax Code Definitions

# Federal Rules:

## What is Lobbying Under the Insubstantial Part Test?

(default definition for **community foundations** and other **public charities**)

Contacting legislators to propose, support, or oppose legislation or the government's budget process.

Urging the public to contact legislators to propose, support, or oppose legislation or the government's budget process.

Advocating for the adoption or rejection of legislation.

# Federal Rules:

## What is Lobbying Under the 501(h) election?

(definitions for **private foundations** & public charities making the 501(h) election)

### DIRECT

Communication

Legislator

Expresses a view  
about specific  
legislation

### GRASSROOTS

Communication

General public

Expresses a view  
about specific  
legislation

Call to action



# Federal Rules:

## Lobbying Exceptions

- Nonpartisan analysis, study, or research
- Request for technical assistance
- Self-defense
- Examinations and discussions of broad social, economic, and similar problems

# Advocacy Rules 101: State & Local

Holly Ambuehl, *Forefront* - STATE AND LOCAL RULES



# Advocacy 101: State Law

- Nonprofits must comply with both federal and state requirements, even if only lobbying at state/local level
- State lobbying laws *are* transparency laws (\$ + influence)
- Different definitions/reporting from IRS; IL has expansive lobbying definition
- State does not regulate *how much* lobbying you do; it's all or nothing
- **Key test: Being compensated or reimbursed whilst lobbying**
- Expanded list of covered officials - includes local officials
- Reports focused on expenses; but compensation is not reportable
- Fee waiver for 501c3s pending General Assembly action (SB1349/HB4266)

# Advocacy 101: City of Chicago Ordinance

- Broadly defines lobbying and which officials/staff are included
- Direct contact + professional engagement / compensation required
- Thresholds apply: >20 hours excluding prep time OR > \$1,250 in compensation
- Exemptions: Volunteers, NPOs <\$5M assets OR expenses, Grassroots lobbying, Self-defense, Open meetings, Public Private Partnerships, Youth Employment Programs
- Fee waiver for 501c3 and 501c4s

# Advocacy 101: State vs. Chicago

## State

- \$300 per entity, + \$300 per lobbyist
  - SB1349/HB4266 would waive this fee
- No NPO exemptions
- Bi-weekly reports required
- Semi-annual attestation required
- Reports limited to expenditures on covered officials; excludes office, travel, campaign, etc.
- Compensation not reported

## City of Chicago

- Fee waived for 501c3s/c4s
- Non-enforcement policy for nonprofits ends 6/30/24
- Quarterly reports required
- More narrative detail in reports
- Compensation is reported (pro-rata)

# Advocacy 101: State/Local Key Implications

- Nonprofit volunteers (i.e., board members) do not need to register
- Applying for a public grant/responding to an RFQ is NOT lobbying
- Registering gives nonprofits options, if they have capacity to do so
- Nothing bars Forefront from representing foundations when needed
- Share learnings with officials, without fear of it being construed as lobbying
- Public-private partnerships are permitted
- Be aware of administrative/reporting requirements that may impact grantees
- Employees of nonprofits seeking 1) a grant or loan, 2) to influence rates paid for services, and/or 3) to influence rulemaking might need to register

# Foundation Advocacy in Practice: Part 1

*Susan - Avenues of Advocacy + Tracking & Reporting*

# Avenues of Advocacy for Foundations

Community Foundations  
*may lobby,* but they are  
subject to lobbying limits.

Private foundations **should not lobby**, but they can engage in other types of advocacy and take advantage of lobbying exceptions.



# Private & Public Foundations May....

- Influence adoption of agency regulations
- Convene nonprofits & decision-makers to discuss broad topics
- Educate legislators about a broad range of issues, without expressing a view on specific legislation
- Meet with legislators to discuss the scope of foundation's work

## A LETTER FROM U.S. PHILANTHROPIC LEADERS

### OVER 300 GRANTMAKING EXECUTIVES FROM ACROSS THE COUNTY – AN UNPRECEDENTED NUMBER – JOIN TOGETHER TO CALL FOR REMOVAL OF THE CITIZENSHIP QUESTION ON THE 2020 CENSUS SURVEY

August 2, 2018

Ms. Jennifer Jessup  
Departmental Paperwork Clearance Officer  
Department of Commerce  
Room 6616  
14<sup>th</sup> and Constitution Avenue, NW  
Washington, DC 20230

Submitted via regulations.gov

RE: Comments on Proposed Information Collection on 2020 Census

Dear Ms. Jessup,

We write in response to the June 8 notice in the *Federal Register* requesting comments on the 2020 Census proposed information collection. We urge the Department of Commerce to withdraw the citizenship question from the 2020 Census questionnaire because we believe it will significantly undermine efforts to achieve a fair and accurate census in 2020.

We are leaders of nonpartisan philanthropic institutions from across the country, large and small, giving hundreds of millions of dollars each year to advance the common good and improve the quality of life in the United States. We have different funding priorities, are ideologically diverse, and do not always agree with each other. But we wholeheartedly agree that the citizenship question should not be part of the 2020 Census.

Across our varied institutions, we share a commitment to reliable and accurate data as a necessary foundation for a well-functioning government, robust civil society, and thriving business sector in the United States. We rely on accurate census data to help identify community needs and prioritize grantmaking, and our grantees rely on accurate census data to serve communities, especially those that are hard-to-count, through their work on various issues including poverty, health care, criminal justice reform, racial equity, education equity, and infrastructure improvement.

# Private & Public Foundations May Also....

- Take a stand on an executive order
- Train grantees on advocacy rules & how to lobby
- Influence school boards or policies of other, non-legislative, special purpose bodies
- Sign on to an amicus brief or fund litigation to challenge a law



A total of 28 people signed up to address the Springfield school board during the Aug. 17 meeting but some left before it was their turn. *Nathan Papes/Springfield News-Leader*

# Tracking & Reporting for Community Foundations / Public Charities

# Why Do We Track Our Lobbying?

1. Report your lobbying
2. Keep your lobbying spending below your annual lobbying limit
3. Plan ahead
4. Use funds that don't restrict lobbying.



# Where Do We Report Our Lobbying?

## Part IV Checklist of Required Schedules

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> . . . . .  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions . . . . .   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> . . . . .                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> . . . . .</b>                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i> . . . . . | <input type="checkbox"/> | <input type="checkbox"/> |

**SCHEDULE C**  
(Form 990)

### Political Campaign and Lobbying Activities

OMB No. 1545-0047

**2021**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**

- ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
- ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

**If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- **Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.**

# Lobbying Limits vs. Lobbying Disclosure



Limits Lobbying at  
all levels for C3s

Comply with federal, state, & local  
lobbying disclosure laws

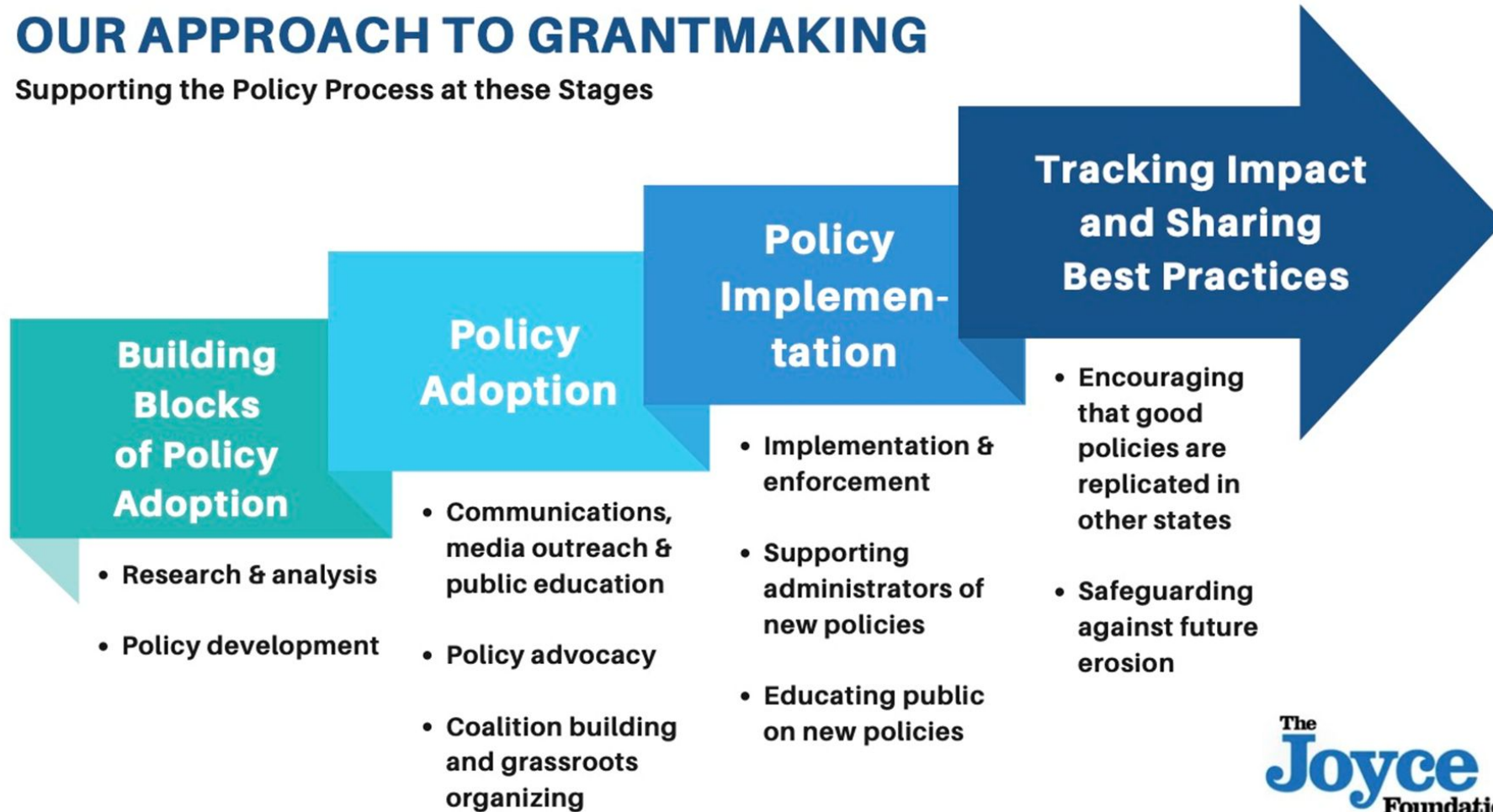
# Foundation Advocacy in Practice: Part 2

*Carrie Davis, Joyce Foundation - How One IL Foundation Puts Rules Into Practice*



# OUR APPROACH TO GRANTMAKING

Supporting the Policy Process at these Stages



# Foundation Advocacy in Practice

## Building Blocks of Policy Adoption

- **Research & analysis**
- **Policy development**

### Example:

- Public opinion research to understand how the public perceives a problem and gauge support for possible reforms

# Foundation Advocacy in Practice

## Policy Adoption

- **Communications, media outreach & public education**
- **Policy advocacy**
- **Coalition building and grassroots organizing**

### Examples:

- Public education and engagement
- Publish reports
- Host briefings
- Press
- Convenings

**\*\* Understand what the legal rules are and are not for making grants to groups that do advocacy!**

# Foundation Advocacy in Practice

## Examples:

- Technical assistance
- Monitoring & reporting on progress
- Educating the public on changes
- Accountability & interventions for failure to implement, which may include litigation

## Policy Implementation

- **Implementation & enforcement**
- **Supporting administrators of new policies**
- **Educating public on new policies**

# Foundation Advocacy in Practice

## Examples:

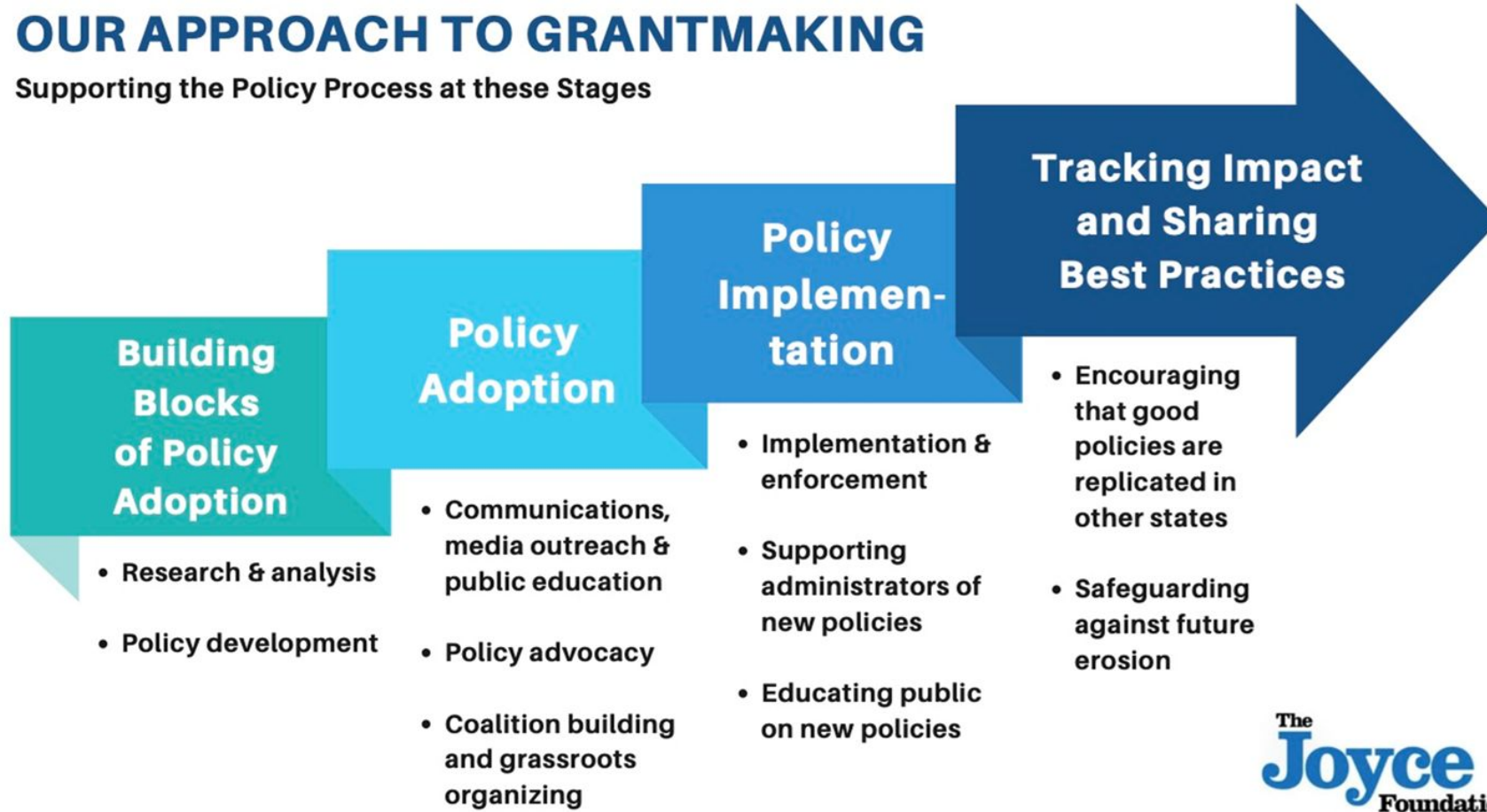
- Evaluations
- Case Studies
- Report on success stories & lessons learned
- Recommendations for future reform
- Protect against erosion

## Tracking Impact and Sharing Best Practices

- Encouraging that good policies are replicated in other states
- Safeguarding against future erosion

# OUR APPROACH TO GRANTMAKING

Supporting the Policy Process at these Stages



# Foundation Advocacy in Practice

- Foundation and nonprofit leaders should engage in the democratic process
- Use your voice and expertise
- Don't discourage your grantees from doing advocacy
- Advocacy and lobbying are not dirty words; it's ok if your grantees also engage in lobbying
- **FUNDERS** – You can, and **SHOULD**, consider funding related work

# Election Year Considerations

*Susan - Dos and Don'ts in an Election Year*



# Dos and Don'ts: 501(c)(3)s Must Remain Nonpartisan

## DON'T:

501(c)(3)s **cannot** say or do anything that suggests support or opposition to any candidate running for public office.

This includes individuals not affiliated with a political party or running for a “nonpartisan” office like judges.



Local



State



Federal

# Dos and Don'ts: 501 (c)3s May Engage with Elected Officials

## DO:

- Nonpartisan issue advocacy
- Nonpartisan lobbying
- Nonpartisan praise and criticism
- Nonpartisan fundraising for the nonprofit (follow House and Senate rules on fundraising by Members of Congress)
- Invite elected officials to c3 nonpartisan events

***\*Elected Officials may be candidates too!***

# Election Year Considerations

Angie Jean-Marie, Philanthropy for Voter Engagement Consultant, *Nonprofit VOTE*

# Nonprofit VOTE

Equipping our nation's nonprofits with nonpartisan tools and resources to help the communities they serve participate in voting and democracy.

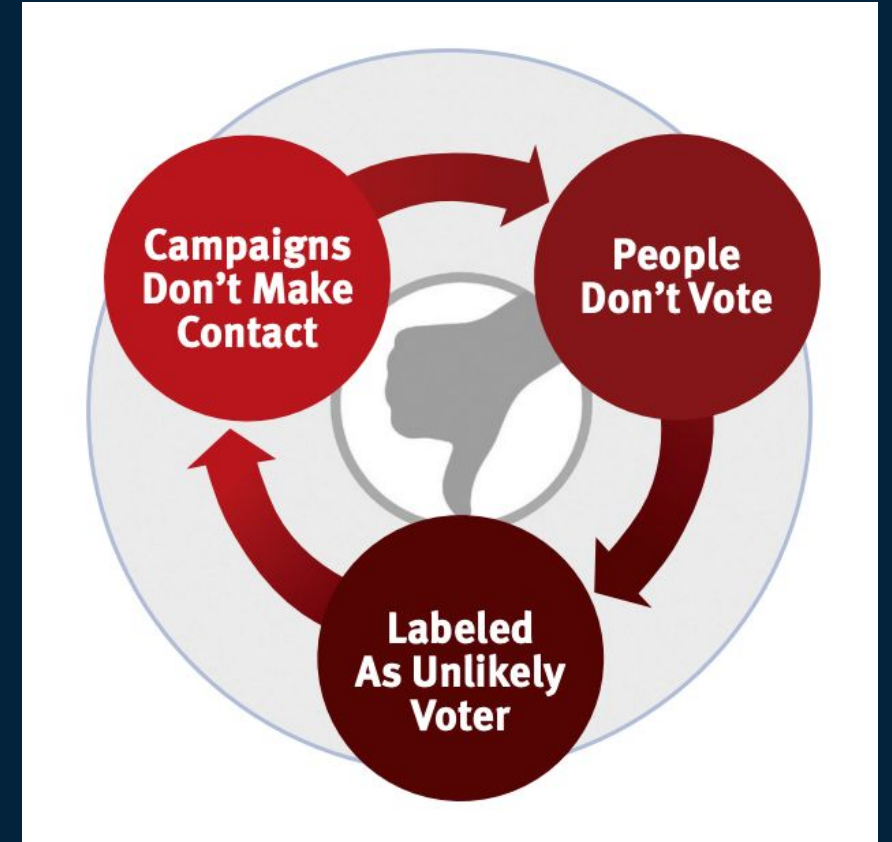
- Free national webinar series
- Tailored support for partner organizations
- Multi-state field program
- Philanthropy for Voter Engagement initiative
- Lead National Voter Registration Day



# Democracy Won't Fix Itself

The goal of political campaign is to win an election. As such, they focus their limited resources on engaging “likely” voters. This fuels a negative, self-perpetuating feedback loop.

We need a new civic ecosystem that engages all eligible voters and works toward an inclusive democracy.



# We Need Nonprofits

- Nonprofit missions are better aligned to goal to community inclusion
- Mutual interest
- Long-term roots and established relationships
- Trust with community
- Cultural competency
- Data shows it works!



# Despite being trusted messengers...



**less than 20% of nonprofits** in the United States report doing voter engagement work

Source: Independent Sector

**< 1%**

**less than 1% of philanthropic dollars** support voter education, registration, and turnout

Source: Foundation Center and Giving USA

**there is room for improvement among nonprofits and funders to support voter engagement at the community level**

# Philanthropy for Voter Engagement Toolkit

## What you'll find:

- Best practices and common strategies
- Resources for implementing voter engagement programs
- Case studies

<https://philanthropy.nonprofitvote.org>



[Overview](#) [Strategies](#) [Resources](#) [Case Studies](#) [Updates](#)

## Philanthropy's Role in Building a More Inclusive and Vibrant Democracy

A PROJECT OF



IN PARTNERSHIP WITH



Get Involved





# Resources and Case Studies



# Guidance for foundations and voting

## Nonpartisan Voter Engagement

- **Foundations can support or promote a wide range of nonpartisan voter engagement**, from GOTV to learning what's on the ballot, voter education, and candidate engagement activities.
- However, **foundations cannot support or oppose candidates or political parties** -- they must remain nonpartisan



# Guidance for foundations and voting

## Voter Registration

- **Community foundations can support** and conduct nonpartisan voter registration drives.
- **Private foundations can support voter registration drives that comply with additional rules** (in 5 or more states, across multiple cycles, etc.)

Nonprofits may use general support grants for nonpartisan voter registration.

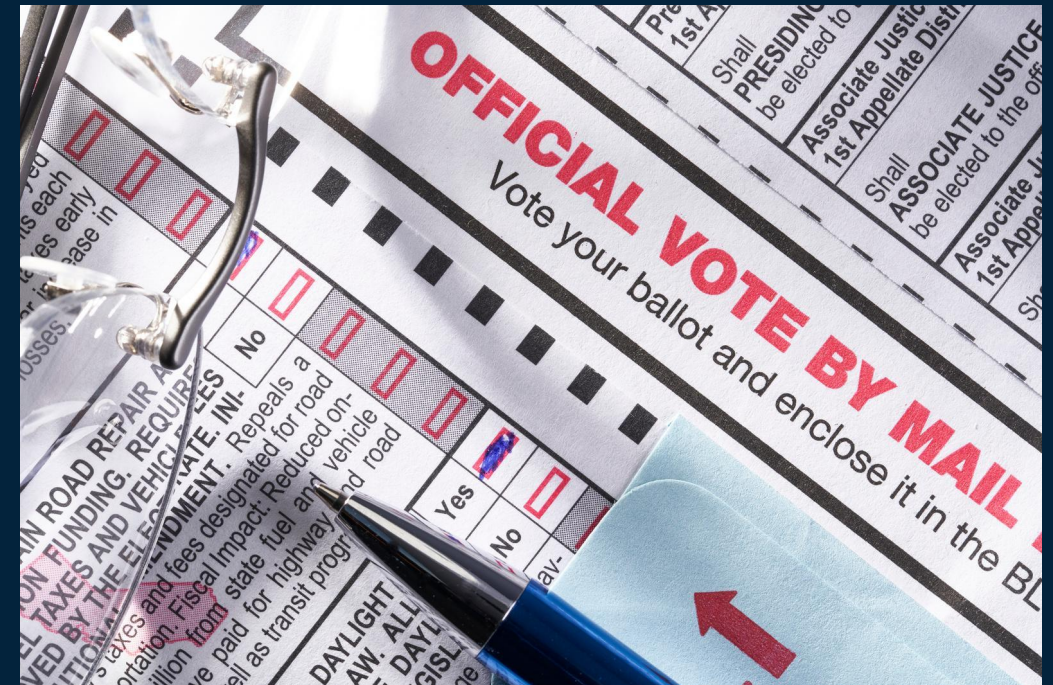


# Guidance for foundations and voting

## Ballot measures

Foundations can conduct voter engagement and education on ballot measures, including initiatives, referendums, and bonds, subject to the rules.

- **Community foundations can endorse or oppose ballot measures.** Such efforts or expenditures are counted as lobbying.
- **Private foundations cannot deploy their resources,** directly or through earmarked grants to others, **to oppose or support ballot measures,** except in the limited circumstances.



Nonprofits may use general support grants for nonpartisan voter registration.

# Common Strategies and Best Practices

A preview of some of our learnings...

1

**Provide funding early and consistently:** Many nonprofits report the challenges they experience when donors only provide funding for election work in the short months before Election Day, leaving little time to effectively utilize the resources.

2

**Identify or bring staff on board who can champion voter engagement:** Many foundations have hired community organizers to manage voter and civic engagement work.

3

**Get the lawyers involved -- no really!** Having your legal counsel involved in strategic conversations that problem solve ways to make an impact can lead to clear and creative approaches for supporting voter engagement work.

4

**Think expansively about voter engagement:** From supporting community listening sessions, convenings, and town halls to investing in tools and technology, there are a number of entry points for funders interested in increasing voter engagement in their communities

5

**Revisit grant language:** Avoid confusing and overly broad terms like “political activity” in grant letters. IRS rules prohibit “partisan political activity” by nonprofits, not voter registration, candidate forums, or other election-related activity done in a nonpartisan manner.

# Case Study from IL: WF Fund

## **Multi-year funding support**

WF Fund provides three-year grants to national organizations that conduct civic engagement, advocacy, and voting work for the Muslim community.

## **Engage groups not traditionally in voter engagement**

Grantee partners collaborate with social services organizations in their portfolio to integrate voter engagement with issues like homelessness and domestic violence.

## **Inclusive storytelling and narratives**

WF is developing a curated and locally informed exhibit that will open in Atlanta in September 2024 and be showcased in cities across the country throughout 2025 and beyond.

# Sign up for updates

Scan the QR code or visit the website to sign up to access the full toolkit when it is released and stay up to date on philanthropy for voter engagement resources.

## Stay Involved

Let us know how Nonprofit VOTE can support your organization

- Share voter engagement resources
- Request a briefing/webinar on the toolkit
- Join a working group with other funders



[philanthropy.nonprofitvote.org](https://philanthropy.nonprofitvote.org)



**Angie Jean-Marie**

Philanthropy for Voter Engagement Consultant

[philanthropy@nonprofitvote.org](mailto:philanthropy@nonprofitvote.org)



FOTH 2024 is 2/25 - 2/28



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# Questions

For any panelist

# Resources

- Bolder Advocacy's State guides and general resources
  - Hotline 866-NP-LOBBY (866-675-6229)
  - E-mail: [advocacy@afj.org](mailto:advocacy@afj.org)
- State/Local Government Questions: [elobbyist@ilsos.gov](mailto:elobbyist@ilsos.gov)
- Chicago Questions: [BOE-ELF@cityofchicago.org](mailto:BOE-ELF@cityofchicago.org)
- Voter Registration/Election Years
  - <https://nationalvoterregistrationday.org/>
  - [https://ballotpedia.org/Main\\_Page](https://ballotpedia.org/Main_Page)
  - <https://www.elections.il.gov>

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**PRACTICAL GUIDANCE**  
What Nonprofits Need to Know About Lobbying in  
**ILLINOIS**

**IMPORTANT NOTE:** The Illinois Lobbyist Registration Act was significantly amended effective January 1, 2022.

This guide reflects such amendments, but as of the date of this publication not all guidance resources put out by Illinois state and local officials have been updated. We will continue to update this resource as practicable.

**New in This Update:**  
This Practical Guidance resource updates the 01.27.22 version. Updates include:

- A new FAQ describing how to use this resource
- A new FAQ comparing federal and state lobbying rules

**Inside This Guide:**  
This Practical Guidance resource is designed to help your nonprofit determine if lobbying rules in Illinois might apply to your work. It includes:

- Summary of registration and reporting triggers
- Key takeaways for nonprofit organizations
- FAQs
- Case study for a hypothetical small student voting rights organization
- List of helpful additional resources

**BOLDER ADVOCACY**  
A program of Alliance for Justice

**Democracy Capacity**

# FOTH Training



Learn more about what to expect at FOTH!  
Required for FOTH Registrants

# FOTH – How to Participate

- Register
- Book flight and hotel
- Complete short Forefront Survey
- Watch for more info
- Plan ahead for 2025

# FOTH - Schedule

- Arrive by mid afternoon Sunday 2.25 if possible
- Plan to stay through 5pm Wednesday 2.28 if possible
- Book conference hotel if possible
- Conference at hotel – Sunday afternoon through Monday
- Hill visits – Tuesday and Wednesday
- Group dinner hosted by Forefront – Tuesday evening

# FOTH - Schedule

- Tuesday

- Rep. Underwood
- Sen. Durbin
- Sen. Duckworth

- Wednesday

- Rep. Kelly
- Rep. Krishnamoorthi
- Rep. LaHood
- Rep. Bost
- Rep. Schneider
- Rep. Davis

# Federal Agenda: Tax Provisions

## Charitable Act S.566/H.R.3435

- No non-itemizer deduction
- 88%+ of filers do not itemize
- Not fair; only wealthiest rewarded
- # of donors/retention down
- Overall giving down 10%+
- Strong bipartisan and public support (almost 90% in poll)





# Federal Agenda: Tax Provisions

- **Post-Graduation Scholarships**

- Workforce shortages have left communities across the country lacking necessary workers like nurses and counselors
- Post-graduation scholarships offer a philanthropic solution to both student debt and workforce crises
- Federal law should treat post-graduation scholarships like traditional scholarships for tax purposes

- **DAF Regulations**

- Over the past few years, DAF regulations have been debated in Congress and in the Administration
- Broadly, our message to Congress on this issue has been to consult the sector on these issues – that DAFs are important tools for many philanthropic institutions, and not only run by large unaccountable financial institutions

# Federal Agenda: Contracting Challenges

- SEAT Act

- The nonprofit sector is America's third-largest employer and has been a trusted partner to government, but unlike all other sectors, it has no formal seat at the table within government
- Creates lean three-part structure to leverage the knowledge, trusted status, and reach of nonprofits to craft and implement better solutions for all

- Streamlining Federal Grants Act

- This bipartisan legislation seeks to improve the effectiveness and performance of federal grants, simplify the application and reporting requirements, and improve services delivered to communities and organizations that historically have not received federal grants.

# Federal Agenda: Other Key Illinois Issues

- Immigration/New Arrivals in IL
  - Many of you are intimately involved in the work being done to welcome migrants and refugees to Illinois – briefing representatives on the work you are doing and the gaps you see as an important message to share
- Other as needed
  - This is your opportunity to raise issues that you see in our state that are important for our representatives to hear
  - While it is important to be strategic and not just talk about everything, we can discuss the right moments to bring other issues up

# Tips for Talking to Elected Officials

1. Remember, they work for US
2. Define problem, but don't get stuck there
3. Be efficient, concise, clear (time is usually limited)
4. Don't be discouraged if you're directed to staff (might be better)
5. Balance story with data
6. Balance policy expertise with stakeholders/district folks
7. Know your audience/adapt message as needed
8. Nurture personal relationships; know stories, interests, friends

# Tips for Talking to Elected Officials

9. Be clear about your ask or recommended solution
10. Have reasonable expectations; be patient and give it time
11. Learn the legislative process
12. Plan to repeat communications and messages
13. Don't ask for something every time you see them; be a resource and trusted expert; be helpful
14. Keep your word
15. Offer site visits, tours, in-district meetings

# Key Do's and Don'ts

## DO:

- Be prepared
- Be open to chit-chat, but mindful of time
- Connect story to ask
- Leave time for questions/conversation

## DON'T:

- Say anything you are not confident is true
- Take a negative tone
- Discuss politics

# Tips for The Hill

1. Bring water and snacks
2. Plan for security
3. Be flexible – things will never go 100% according to schedule
4. Be prepared (Bill #s, talking points, packet, who says what)
5. Listen and ask questions; you'll be more effective in the end
6. Wear comfortable shoes
7. Bring a map but plan on getting lost
8. Follow up

# FOTH Next Steps

- As meeting schedule is locked in (week of Feb 19<sup>th</sup>), we will assign people to meetings, as not every meeting will be able to fit everyone
- Review materials, have an anecdote related to each policy priority ready to share
- Any questions before or during, let us know!