

# Advocacy:

## What Non-Profits Can and Cannot Do

presented to



May 2, 2017





# About the Center for Non-Profits

## Advocacy/Public Education

- Promoting New Jersey's non-profit community
- Public policy
- Research (non-profit statistics, trends)

## Capacity Building

- Management/compliance assistance
- Workshops/seminars/Webinars
- Publications

## Member Services

- E-newsletters, resource lists, info/referral
- Cost saving benefits

*For 30+ years, the **champion & first-stop resource** for and about New Jersey's non-profit community*

# About Mercadien

## Services

### *Strategic and Financial*

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- Accounting, audit, compliance, consulting, risk, tax, litigation, technology and wealth management

## Industries

### *Diverse and Growing*

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- Nonprofit, education, banking, government, private companies, high-net-worth individuals and families

## Solutions

### *Sophisticated and Forward-Thinking*

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- Maximize profitability and wealth, minimize taxes and risk, evaluate systems and processes and increase efficiencies for clients

What we'll  
cover  
today:

**Introduction: What is Advocacy?**

**Why Does this Matter?**

**Advocacy/Lobbying Rules: IRS**

**Loose ends/Wrap-Up**

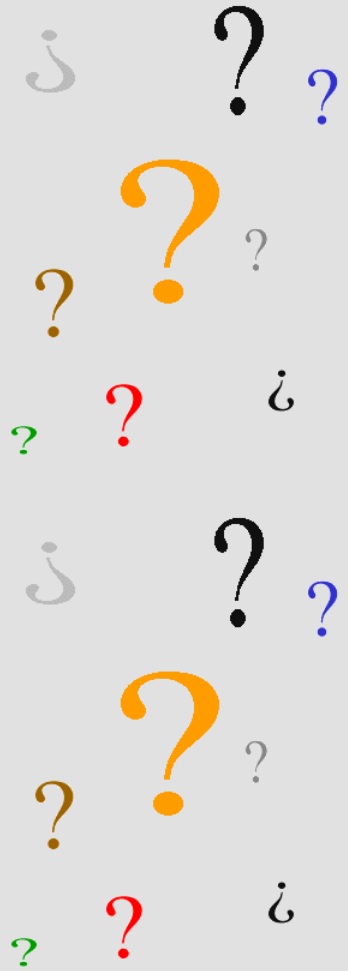
# Disclaimer

“The information provided in this presentation is for informational purposes only and does not constitute legal advice. For answers to specific questions concerning your situation, you should consult a knowledgeable attorney who can advise you regarding your particular circumstances.”

What is Advocacy?

What is Lobbying?

Why Does it Matter?



# Advocacy and Lobbying

## **Advocacy:**

- Speaking or writing in favor of a cause or another person.
- Usually involves influencing another person to win change.

## **Lobbying:**

- A form of public policy advocacy.
- Lobbying is trying to influence **specific** policy, such as federal or state legislation and county or local ordinances



Lobbying is a form of advocacy,  
but

**Not all Advocacy is  
Lobbying!**



Lobbying

Your organization

CAN advocate

AND lobby

IF

*you follow the rules of the  
road.*



Common  
Myths  
about  
Non-Profit  
Advocacy  
& Lobbying

*“It’s illegal.”*

*“It’s too complicated.”*

*“It’s not central to our mission.”*

*“It’s too time-consuming.”*

# The Stakes are High

- State and Federal Budget
- Health Care
- Property Tax
- Tax reform – char giving incentives
- Labor Protections
- Immigration
- Environmental Protection
- Poverty
- Equity

There's  
**too much at stake**  
to stay on the sidelines!

## Why it's important

- Non-profits speak for people who often can't or don't speak for themselves
- Can make the difference between treating the symptoms of a problem and preventing one
- Public Interest, not Special Interest
- Establish and expand government investment in important societal priorities
- Officials **NEED** your unique viewpoint

# How Your Organization benefits

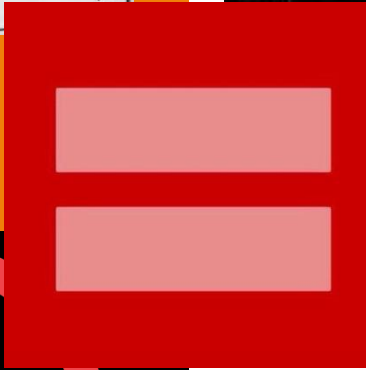
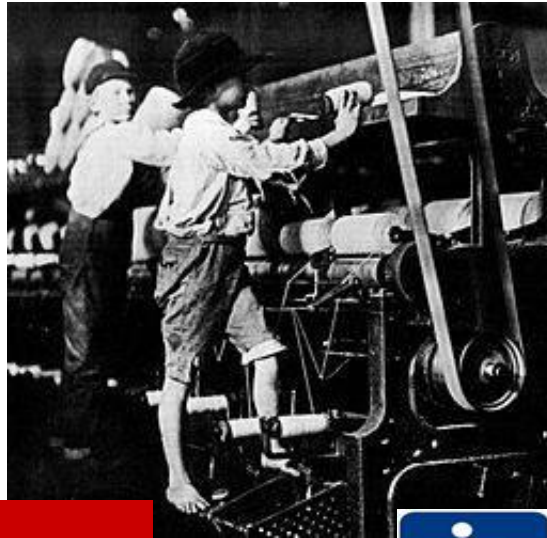
- Raise awareness of your mission
- Mobilize members, volunteers, donors and board
- Attract favorable media attention
- Builds credibility
- Reform laws and regulations that govern the operation and evaluation of your programs



# Collective Clout









Advocacy  
is very  
similar to:

1. Finding a Job
2. Fund Raising

It's all about:

- building relationships
- doing your homework
- making your case!



# Know the Rules

Knowing the rules and boundaries NOW will help you to advocate and lobby more effectively now and in the future



# Prohibited Activities for 501(c)(3) Organizations



- Electioneering
  - attempting to influence the election or defeat of a candidate
- Partisan activities
  - activities that align your organization with one party over the other
- ALL of your organization's activities must be nonpartisan!
- Campaign activities, partisan alignment ***as a private individual on own time*** is OK.

# Permitted Election Activities (nonpartisan; with certain important safeguards)

- Voter registration
- Voter education
- Get-out-the Vote (GOTV) Drives
- Transportation to the Polls
- All activities must be carefully structured to avoid bias toward one candidate or party or another



## Additional Legal Items

- No lobbying with government funds
- Federal Lobby Disclosure Act (registration/ reporting of **federal** lobbying activities if certain thresholds are met)
- **NJ** Governmental Affairs Activities Disclosure Act (registration and reporting; different definitions than IRS; no fees for orgs with charitable-type NJ SALES TAX exemption)

*More details available from the  
Center for Non-Profits or Mercadien*

## 501(c)(3) Public Charities

### 501(c)(3) Public Charities:

- MAY NOT be involved in electioneering or partisan political activity or contributions to political candidates, committees or parties
- MAY conduct nonpartisan voter education/engagement activities by public charities and provide technical assistance to legislative body
- MAY engage in advocacy (general discussion of issues that does not involve lobbying) without limit
- MAY do limited lobbying so long as it is an “insubstantial” part of their activities.

501(c)(4)  
and  
501(c)(6) and  
Lobbying/  
Political  
Activity

**501(c)(4) and 501(c)(6) organizations:**

- MAY conduct partisan political activities, if not the organization's primary purpose
- MAY lobby
- MAY provide support to political candidates by establishing "separate segregated fund" under Code Section 527(f)(3) – Requires additional state and federal initial filings and regular reports

# IRS Lobbying Rules





# Lobbying (IRS)

- Publicly supported 501(c)(3) charities MAY LOBBY as an “insubstantial” part of their activities.
- IRS defines:
  - What constitutes lobbying
  - How much lobbying is too much
- Two ways to measure “substantial”:
  - Fact/circumstances test
  - Expenditure Test



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Internal Revenue Service

# Expenditure Test

(501(h)  
Election)

- Clear definitions of lobbying
- Based only on expenses in relation to charity's budget
- Unreimbursed volunteer activities not included
- Charities must choose to be measured by this test by filing short form with the IRS
- Advantageous for most charities



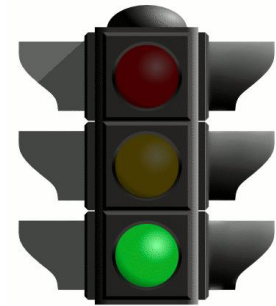
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## 501(h) Election Downsides

**The 501(h) election is advantageous for most charities. But it's not for everyone:**

- Houses of worship (ineligible)
- Private foundations (ineligible)
- Some very large charities that may exceed the maximum lobbying expense ceiling of \$1 million, or large charities that do almost all grassroots lobbying (maximum expense ceiling \$250,000)

# Lobbying (cont'd)



- If IRS criteria for “lobbying” are not met, the communication is ***advocacy***
- IRS places **NO LIMITS** on the amount of ***advocacy*** activities of 501(c)(3)s

# Private Foundations and Lobbying

## PRIVATE FOUNDATIONS:

- MAY NOT *themselves* lobby except on “self-defense” issues.
- MAY engage in **unlimited *advocacy*** activities (policy issue discussions that do not meet the IRS lobbying criteria)
- MAY fund 501(c)(3) public charities that lobby as long as the grant is not earmarked for that purpose.
- NEED NOT include special restrictions barring their public charity grantees from using general support funds for lobbying.

# Lobbying Definitions (IRS) for groups making 501 (h) election

- **Lobbying**
  - Attempting to influence passage or defeat of legislation
  - Legislative activities at all levels (federal, state, local) are covered.

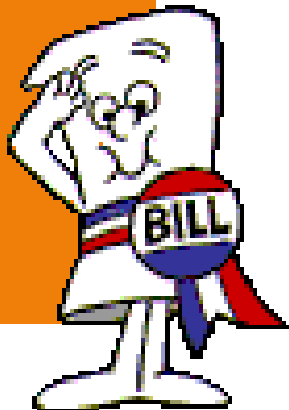


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# IRS: What is “Legislation?”

“Legislation” includes:

- bill or legislative proposal
- resolution
- judicial appointment (IRS)
- referendum
- bond issue
- does NOT include administrative rules/regulations for IRS (it does for NJ law)



# Two types of lobbying

- ***Direct lobbying***
- ***Grassroots lobbying***



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# Direct Lobbying

## Definition

for groups making 501 (h) election

Communication with a legislator or government official when the communication:

1. Refers to specific legislation; AND
2. Reflects a view on the legislation.



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# Grassroots Lobbying

## Definition

for groups making 501(h) election

Communication directed at general public that:

1. Refers to specific legislation, AND
2. Reflects a view on such legislation, AND
3. Encourages the recipient of the communication to take action with respect to such legislation

# IRS Lobby Expense Limits

<u>Total Annual Exempt Purpose Expenditures</u>	<u>Percent that May be Spent on Lobbying</u>
\$500,000 or less	20%
\$500,000-\$1 million	\$100,000 + 15% of budget over \$500,000
\$1 million-\$1.5 million	\$175,000 + 10% of budget over \$1 million
\$1.5 million and over	\$224,000 + 5% of budget over \$1.5 million

- 
- Total lobbying expenditures may not exceed \$1 million.
  - “Grassroots lobbying” expenditures may not be more than 25% of an organization’s total **allowable** lobbying ceiling.

# IRS Exceptions to Lobbying

(activities are  
**ADVOCACY** -  
no limits)

- ***Nonpartisan Analysis, Research***
  - cannot include direct call to action
- ***Self-defense***
  - Lobbying legislators on matter that affects your tax-exempt status, rights, powers, existence
- ***Responses to written requests*** for technical advice from a legislative body
  - not just one legislator

# IRS Exceptions to Grassroots

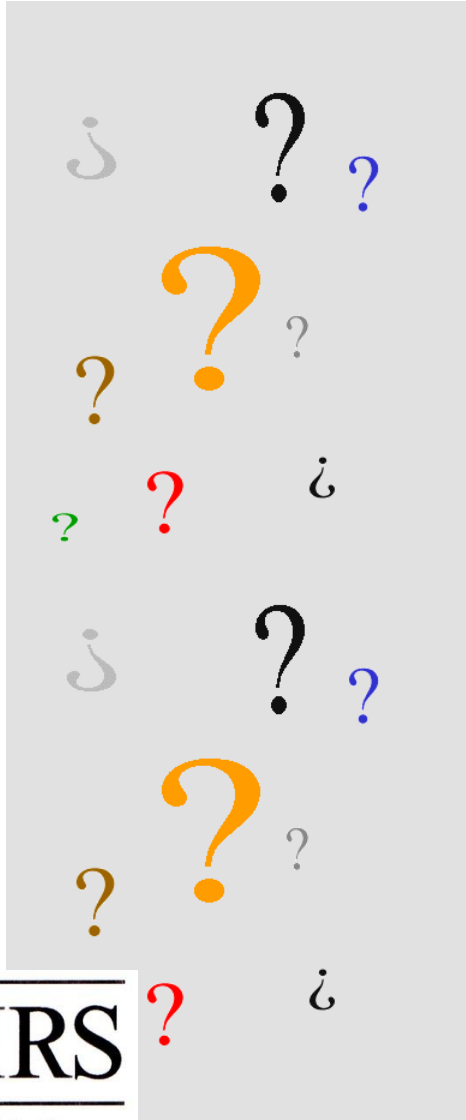
(communication counts as direct lobbying;  
more generous limits)

- Communications to members
- Communications **to public** on bond issues, referenda
- OK to prorate expense allocations for mixed purpose communications

*Some Examples:*

# Advocacy or Lobbying?

Part I – Direct (*IRS definitions*)





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## Is it Lobbying? (IRS)

The “Family Health Association of NJ (FHANJ)” a 501(c)(3) public charity, invites the NJ Assembly Majority Leader to tour its facility. During the tour, the FHANJ director tells the Majority Leader that the “lack of workplace support for breastfeeding women is a serious problem” and “we need strong legislative solutions to address the issue.”

### *Is this lobbying?*

**NO.** The director is referring to a general issue, and not to specific legislation to address it.



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## Is it Lobbying? (IRS)

The “Family Health Association of NJ (FHANJ)” a 501(c)(3) public charity, invites the NJ Assembly Majority Leader to tour its facility. During the tour, the FHANJ director tells the Majority Leader that the “lack of workplace support for breastfeeding women is a serious problem” and that A-2294, a bill currently pending in the Legislature, “would provide an effective strategy to address the issue.”

### *Is this lobbying?*

**YES.** The director is referring to specific pending legislation (A-2294) and is reflecting a view on the legislation in her conversation with the Majority Leader.





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## Is it Lobbying? (IRS)

A-2294, a bill supported by FHANJ, has been signed into law by Governor Christie. The organization writes a letter to Majority Leader Greenwald to thank him for voting in favor of A-2294.

### *Is this lobbying?*

**NO.** The “thank you” note is not a lobbying communication because the vote has already been taken and the bill enacted.



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Is it  
Lobbying?  
(IRS)

The NJ Department of Health has issued proposed regulations governing the licensure of pediatric community transitional homes. FHANJ submits comments to the DEP recommending changes to the proposed regulations.

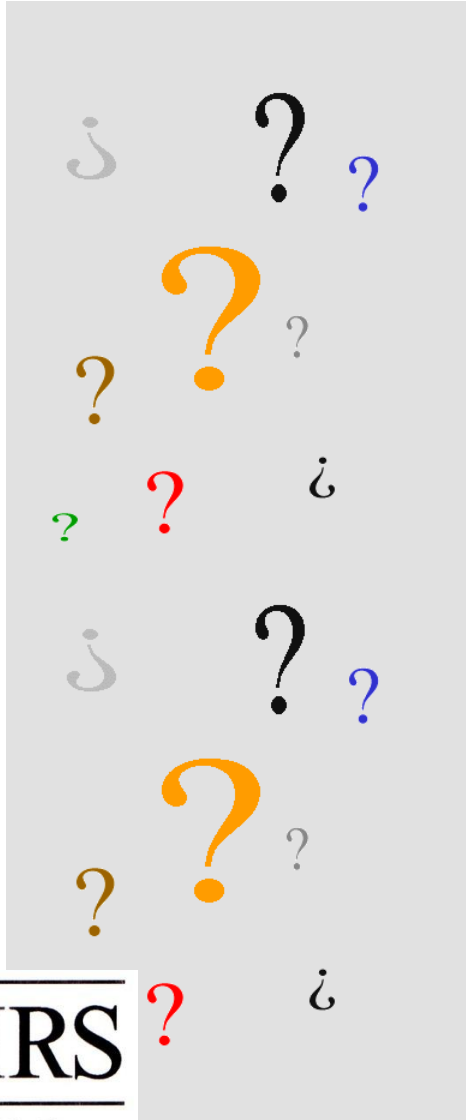
***Does the IRS consider this to be lobbying?***

**NO.** Regulations are not “legislation,” so attempts to influence regulations are not considered lobbying by the IRS. (BUT you may need to track these activities/expenses for NJ ELEC purposes.)

*Some Examples:*

# Advocacy or Lobbying?

Part 2 – Grassroots (*IRS definitions*)





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## Is it Lobbying? (IRS)

FHANJ is working to gain legislative passage of A-2294, a bill that would expand civil rights and workplace protections for breastfeeding mothers. FHANJ has a mail list of 5,000 members of the public. FHANJ sends a letter to the people on its mail list. The letter describes the bill and ends by saying, “Call your legislators today and ask them to support A-2294!”

### ***Is this a lobbying communication?***

**YES - *grassroots*.** The letter refers to specific legislation, expresses a view on that legislation and includes an explicit call to action. (“Call your legislators.”)



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# Is it Lobbying? (IRS)

Assume that instead of asking readers to call their legislators, the letter says, “The Assembly Labor Committee intends to vote on this legislation on October 13.” It then lists the names of the members of that committee.

## *Is this lobbying?*

**YES - *grassroots*.** By listing the members of the Assembly Labor Committee, the letter includes an “implied call to action” (including the members of the committee that will vote on the legislation and their contact information suggests that the reader should contact one or more of these individuals).



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## Is it Lobbying? (IRS)

Assume that FHANJ issues a news update to the people on its mail list, describing how A-2294 would provide additional protections for breastfeeding mothers. It ends by saying, “The full Assembly is expected to vote on this legislation later this fall.”

### ***Is this grassroots lobbying?***

**NO.** Although it refers to, and reflects a view on, specific legislation, the letter does not contain either a direct or implied call to action.

*(Simply saying that the Assembly will vote on the bill on a later date does not meet the “implied call to action” standard.)*

# Tracking Your Lobbying Expenses (IRS)

# Form 990 Schedule C

## SCHEDULE C (Form 990 or 990-EZ)

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Internal Revenue Service

## Political Campaign and Lobbying Activities

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.  
▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2015

Open to Public  
Inspection

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.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered “Yes,” on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered “Yes,” on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.



# Adequate Records

- Documentation of all activities
- Retention of all communications
- Use of timesheets in support of compensation and overhead allocations
- Maintenance of cost logs (postage, copying, delivery services)

# Tracking Expenditures

- Cost of research, drafting, reviewing, copying, printing, publishing, mailing, etc.
- Identify the audience
- Identify mixed-purpose communications
- Track direct vs. grassroots

*Sample Company*  
*Analysis of Lobbying Expenses*  
2016

	<i>Hrs per report</i>	<i>Value</i>	<i>Hrly rate based on 40 hrs per wk.</i>	<i>Std hours</i>
<i>Individuals performing lobbying activities</i>				
CEO	42.25	3,573.38	84.58	2080
Advocacy director	322.00	14,180.38	44.04	2080
	-	-		
<b>Total</b>	<b>364.25</b>	<b>17,753.76</b>		<b>4160</b>

<i>Support Staff- to the CEO or advocacy director</i>				
Support staff %	0.087560096			2115.50
Average rate	\$ 29.02	5,375.47		

Total lobby salaries		<u>23,129.23</u>		
Markup @ 175%		<u>40,476.16</u>		
Other direct lobby expense				
Auto reimb- travel		<u>600.00</u>		
Event exp		<u>1,400.00</u>		

	CEO	ADVOCACY Director
Salary	150,000.00	80,000.00
Taxable Benefits- car allowance	6,000.00	0.00
Total Taxable	<u>156,000.00</u>	<u>80,000.00</u>
Payroll tax as %	10,920.00	5,600.00
Benefits- healthcare coverage	<u>9,000.00</u>	<u>6,000.00</u>
Total all costs	<u>175,920.00</u>	<u>91,600.00</u>
std hours	<u>2,080.00</u>	<u>2,080.00</u>
Cost per hour	<u>84.58</u>	<u>44.04</u>
Total Cost of lobbying	3,573.38	14,180.38
Hours spent lobbying	42.25	322.00

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2016**

**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.**  
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**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.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>Sample Company</b>	Employer identification number <b>12-1234567</b>
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ 0
- 3 Volunteer hours for political campaign activities (see instructions) 0

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ 0
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ 0
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ 0
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ 0
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ 0
- 4 Did the filing organization file Form 1120-POL for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	42,476													
c	Total lobbying expenditures (add lines 1a and 1b)	42,476													
d	Other exempt purpose expenditures	473,000													
e	Total exempt purpose expenditures (add lines 1c and 1d)	515,476													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	102,321													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	0													
h	Subtract line 1g from line 1a. If zero or less, enter -0-	0													
i	Subtract line 1f from line 1c. If zero or less, enter -0-	0													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period						
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total	
2a	Lobbying nontaxable amount	105,000	105,000	105,000	102,321	417,321
b	Lobbying ceiling amount (150% of line 2a, column (e))					625,981
c	Total lobbying expenditures	110,000	120,000	50,000	42,476	322,476
d	Grassroots nontaxable amount					0
e	Grassroots ceiling amount (150% of line 2d, column (e))					0
f	Grassroots lobbying expenditures					0

**Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?	✓		
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	✓		
<b>c</b> Media advertisements?		✓	
<b>d</b> Mailings to members, legislators, or the public?		✓	
<b>e</b> Publications, or published or broadcast statements?		✓	
<b>f</b> Grants to other organizations for lobbying purposes?		✓	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	✓		600
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	✓		1,200
<b>i</b> Other activities?			
<b>j</b> Total. Add lines 1c through 1i			1,800
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	<b>3</b>	

**Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

During the year the CEO and the advocacy director met with various legislators from their district to discuss the impact of Bill H-1602 on minimum wage to their constituents and the impact it will have on their constituents ability to receive services. The CEO spent a total of 42.25 hours on lobbying activities including research of the issue as well as planning meetings with the advocacy director and volunteers. The advocacy director also had meetings with the chief of staff of Senator Smith, and planned a rally against raising the minimum wage with several other non profit groups who will be hurt financially by an increase in the minimum wage.



QUESTIONS?





# Parting Thoughts

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position of  
STRENGTH**



# Stand Together



## Advocacy Resources

- Internal Revenue Service
  - [www.irs.gov](http://www.irs.gov)
- NJ Election Law Enforcement Commission
  - [www.elec.state.nj.us](http://www.elec.state.nj.us)
- National Council of Nonprofits
  - [www.councilofnonprofits.org](http://www.councilofnonprofits.org)
- Alliance for Justice/Bolder Advocacy
  - [www.bolderadvocacy.org](http://www.bolderadvocacy.org)
- NonprofitVOTE
  - [www.nonprofitvote.org](http://www.nonprofitvote.org)
- Center for Non-Profits
- Mercadien



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# Thank You!

## **Sherise D. Ritter, CPA, CGFM, CGMA, PSA**

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- *Co-Chair, Nonprofit and Human Services*

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# THANK YOU!

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