



## 2.5 LOBBYING FOR NONPROFITS

Lobbying is an attempt to influence legislation including bills, referenda, and Constitutional amendments. Lobbying activities can be either direct or indirect.

**Direct lobbying:** any attempt to influence any legislation through communication with any member or employee of a legislative body or with any government official or employee who may participate in the formulation of the legislation and grassroots lobbying

**Indirect lobbying:** any attempt to influence any legislation through an attempt to affect the opinions of the general public.

Nonprofit organizations, like TWS and our subunits, are legally allowed to lobby. However we must remain within certain restrictions in order to maintain our tax-exempt 501(c)(3) status designated by the IRS.

Funds expended on lobbying efforts must be reported to the IRS. For example, hiring someone to represent your subunit or spending money to travel to your legislator's office are expenses that must be reported.

If more than 5% of all subunit resources are spent on lobbying, then you need to complete Form 5768. If you file this form, your unit can spend 20% of the first \$500,000 of annual expenditures on lobbying.

If less than 5% of all subunit resources are spent on lobbying, all expenses must still be reported on Schedule C of Form 990 or Form 990EZ each year. Form 990N (the e-postcard) cannot be used if your unit has expended money on lobbying.

Lobbying does not include:

- Actions by volunteers that otherwise meet the definition of lobbying, as long as there is no expenditure of funds by the organization.
- Contact with the executive or legislative branches in support of or opposed to agency, department, or other governmental regulations.
- Communicating a position in support of or against legislation to members of the organization, as long as the communication does not ask members to take action.
- Providing testimony requested by a legislative body.
- Making available the results of legislative analyses.
- Discussion of policy issues, as long as the merits of specific legislation are not part of the discussion.