TAP FUNDING FOR YOUR LEGISLATIVE ADVOCACY EFFORTS

The law allows considerably more latitude to use foundation funds to lobby than commonly understood by many foundations and nonprofits (see the 2004 IRS letter to CLPI at www.clpi.org). Knowing the rules governing foundation support of nonprofit advocacy can help your nonprofit make strategic choices about how to raise funds to support your activities. Know these facts:

• Use general purpose grant funds from private foundations for lobbying—While grant funds from a private foundation cannot be earmarked for lobbying, it is perfectly legal for a nonprofit to use unearmarked general support grants to lobby.

• Use private foundation funds for the non-lobbying portion of a specific project—A private foundation may make a grant to support a specific project that includes lobbying, as long as the grant is less than or equal to the amount budgeted for the non-lobbying parts of the project and the grant is not earmarked for lobbying. For example, if a specific project has a $200,000 budget, of which $20,000 is to be spent on lobbying, the private foundation can fund up to $180,000—the amount of the project that is allocated to non-lobbying uses. In fact, all funders collectively can cover the full budget, as long as no single grant exceeds the non-lobbying portion of the budget.

• Use community foundation funds that are earmarked for lobbying—Community foundations are tax exempt under section 501(c)(3) of the Internal Revenue Code and are not treated as private foundations, so they are permitted the same lobbying latitude as other nonprofits. For example, a community foundation may spend part of its annual expenditures on its own lobbying activities. It may also grant earmarked funds to nonprofits for lobbying up to the limits permitted by law. A community foundation grant, earmarked for lobbying, would count towards the community foundation’s own lobbying ceiling as well as towards the nonprofit grantee’s ceiling.

• Use foundation funds for non-lobbying activities that influence public policy—Nonprofits that have elected to come under the 1976 lobby law can engage in several public policy–related activities that are not considered lobbying (see page 17). These activities can be fully funded by foundations.

• Nonprofits that receive government funds may lobby so long as they use non-government funds for the lobbying—Nonprofits may not lobby with government funds. Receiving government funds, however, does not preclude a nonprofit from exercising its legal right to lobby.

Diversify your funding—not only to support your legislative advocacy efforts, but also to sustain your organization for the long term. Effective nonprofits do not depend on any one funding stream or source. In addition to tapping foundations, as described above, for your advocacy activities, also develop these sources of unrestricted support for your advocacy efforts:

• Individual contributions

• Earned income

UNDERSTAND KEY POLICY ISSUES RELATED TO YOUR MISSION

Data gathering and analysis are critical in the process of identifying and understanding key policy issues related to your organizational mission. However, every nonprofit does not need to develop a state-of-the-art research capacity. Most importantly, be sure to access and use research to advance internal understanding as well as to make a strong case on your issue to decision-makers.

If research is not the core work of your nonprofit, tap other groups with this expertise. Some sources include government agencies, legislative staff, non-partisan policy research groups, universities, and national organizations with expertise in a particular field. Also, consider working in coalition with other groups that bring this capacity.