

# Advocacy: Making an Impact

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**National Self-Help  
Housing Conference**

# What is Advocacy?

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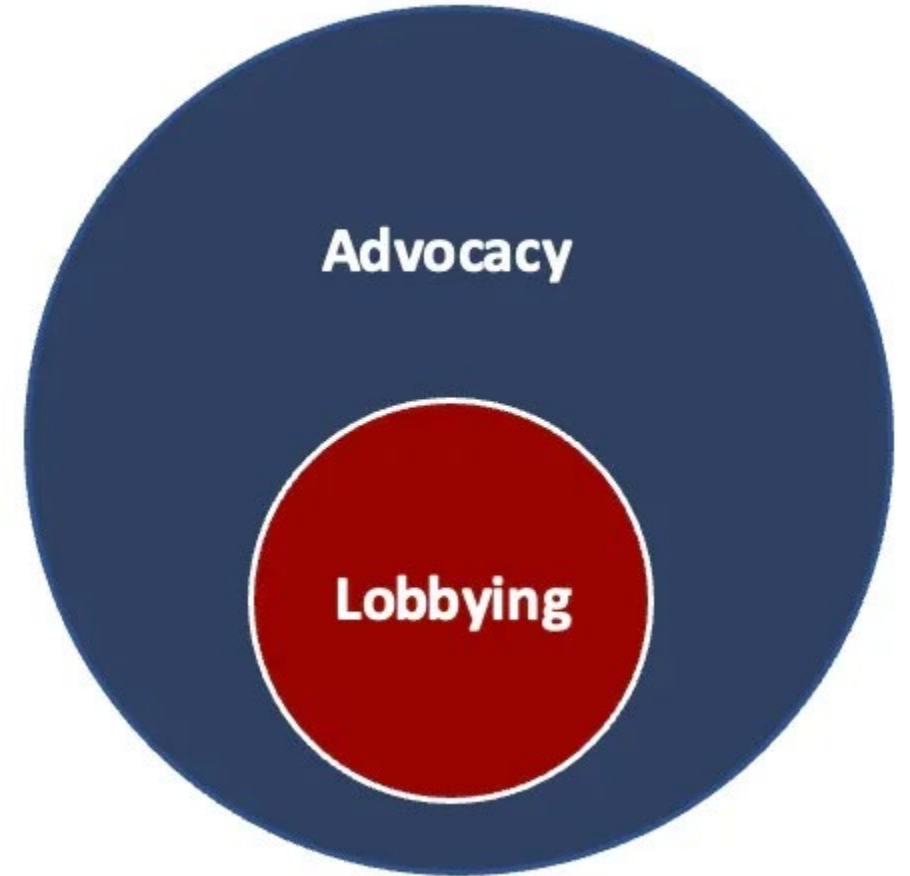
- Advocacy is defined as any action that speaks in favor of, recommends, argues for a cause, supports or defends, or pleads on behalf of others
  - Raising awareness and mobilizing support for a cause
  - Educating policymakers and the public about an issue
  - Helping policymakers find solutions to problems
  - Promoting social or political change



# What is Lobbying?

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- Lobbying is a specific type of advocacy
- Influencing legislators to support or oppose a specific piece of legislation
- Asking others to ask legislators to support or oppose a specific piece of legislation



# Can Nonprofits Lobby?

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- Nonprofits can engage in advocacy, and some limited lobbying, as long as they follow IRS rules
- The IRS limits how much of a nonprofit's budget can be spent on lobbying
- The IRS prohibits nonprofits from using federal funds for lobbying
- Nonprofits can advocate by:
  - Distributing materials to congressional offices
  - Analyzing legislation and sharing it with policymakers
  - Inviting legislators to visit their organization
  - Providing technical assistance to legislators



# How to Engage in Lobbying?

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The IRS offers two choices:

## 1. “Insubstantial Part” test (vaguely defined)

- a. Since 1934, the IRS dictates that “no substantial part of a charity’s activities... be carrying on propaganda or otherwise attempting to influence legislation. “Insubstantial” is not further defined.
- b. Unfortunately, this has led many nonprofits to hardly do any lobbying.

## 2. “Expenditure” test or Section (501)(h) election (clearly defined)

- a. Section h is recommended and easy to do – filing a simple one-page form.
- b. Provides clear definitions and generous ceilings.
- c. Can be done at any time!



# Lobbying Limits

Organizations electing to use the expenditure test must file [Form 5768](#).

Under the expenditure test, an organization that engages in excessive lobbying activity over a four-year period may lose its tax-exempt status, making all of its income for that period subject to tax.

Should the organization exceed its lobbying expenditure dollar limit in a particular year, it must pay an excise tax equal to 25 percent of the excess.

If the amount of exempt purpose expenditures is:	Lobbying nontaxable amount is:
$\leq \$500,000$	20% of the exempt purpose expenditures
$> \$500,000$ but $\leq \$1,000,000$	\$100,000 plus 15% of the excess of exempt purpose expenditures over \$500,000
$> \$1,000,000$ but $\leq \$1,500,000$	\$175,000 plus 10% of the excess of exempt purpose expenditures over \$1,000,000
$> \$1,500,000$ but $\leq \$17,000,000$	\$225,000 plus 5% of the exempt purpose expenditures over \$1,500,000
$> \$17,000,000$	\$1,000,000



# Why is Advocacy Important?

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- Actively influence policies and laws that directly affect your communities
- Create a greater impact on the issues you care about by raising awareness, educating decision-makers, and mobilizing public support to drive positive change on a larger scale
- Advocacy is a crucial tool for nonprofits to achieve their mission and bring about systemic improvements



# Why is Advocacy Important?

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- **Amplifying community needs:** Nonprofits have a unique perspective on community challenges and can use advocacy to highlight these needs to policymakers and the public, ensuring issues aren't overlooked.
- **Policy change potential:** By engaging in advocacy, nonprofits can actively push for policy changes that address root causes of social problems, leading to more substantial and lasting impact.
- **Increased funding opportunities:** Advocacy can help raise awareness about a nonprofit's work, attract more donors, and secure additional funding sources.
- **Building relationships with decision-makers:** Through advocacy, nonprofits can build rapport with legislators and other key stakeholders, enabling effective communication and influencing policy decisions.
- **Mobilizing public support:** By engaging the community through advocacy campaigns, nonprofits can rally supporters to take action and put pressure on policymakers to address critical issues.

