

NONPROFIT POLICY CHANGE FUNDAMENTALS



Participating in advocacy activities can help elevate awareness of an arts organization's mission, and educate policy makers and influencers about the collective importance of the arts sector in our region.

THE THREE LEVELS OF ENGAGEMENT

1 Government Relations

The broadest form of public sector engagement that can take place at federal, state and local levels.

What To Know

- Requires long-term commitment
- Changing cast of characters from elections, term limits, changes in administrations
- Includes not only elected officials but also administrative staff, department heads and personnel, career bureaucrats

Why Do It?

- To familiarize people in power with your organization's mission and value proposition
- To help officials see your organization as an important member of public cohort they represent
- To leverage relationships to influence/effect public policy that may affect you

Tips

- Identify officials in whom you have a strategic interest
- Invite officials to visit your site, meet your leaders, attend special events
- Visit these officials in THEIR offices (and not just when you want something from them; be a resource for them)
- Give these officials some of your spotlight

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2 Advocacy

Actions designed to generate public support for, or create a recommendation, designed to influence broad public policy or support for a specific cause. Advocacy *is not* lobbying, but lobbying is a form of advocacy.

What To Know

- There are no IRS prohibitions against advocacy. Only lobbying is regulated by the IRS.
- Advocacy efforts can be aimed at members of both the public and private sectors.
- Advocacy is a constitutionally guaranteed right under the 1st Amendment that allows people to “peacefully assemble and petition government for redress of grievances”
- Advocacy is not only a right, but a responsibility

What Does Advocacy Look Like?

- Research, information gathering
- Collaborating, coalitions, associations
- Messaging
- Building relationships
- Op-Eds, Letters to the Editor
- Hosting public forums
- Encouraging, either in-person or in writing, legislative support or opposition to broad public policy issues
- Endorsing a policy position on broad public policy issues
- Speaking to your friends and colleagues about a policy issue that matters to you



Definition: Broad Public Policy Issues

A broad public policy issue is a cause, campaign, or movement that is not related to a specific piece of legislation. For example: “arts education,” “equal pay for equal work,” or “support for diversity initiatives.”

Why Do It?

- Helps you promote your organization’s mission
- Your organization has a deeply vested interest in protecting its capacity to fulfill its mission
- Advocacy is inextricably linked to the functioning of a democracy
- Other sectors are advocating for what they need, the arts sector should feel empowered to do the same
- It can and DOES make a difference
- It can and DOES help people
- It’s easy to do!

3 Lobbying

And IRS form of advocacy that seeks to influence public officials (directly or indirectly) on a specific piece of legislation. Nonprofits can legally engage in limited amounts of lobbying, but federal and state regulations require nonprofits to report their lobbying activities annually.



Definition: Lobbyist vs. Lobbyist Agent

In Michigan, the organization that spends funds on lobbying is a “lobbyist,” and an individual or firm that receives compensation for lobbying on behalf of the organization is a “lobbyist agent.”

Types of Lobbying

- **Direct.** Seeking to influence a specific piece of legislation through any mode of communication to any government employee involved with the legislation.
- **Grassroots.** Any communication with the general public reflecting a view on a specific piece of legislation and encouraging the public to contact their legislators on the matter.
- *A note for membership organizations:* A call to action on a specific piece of legislation sent only to your members is still considered direct lobbying.

OPTIONS FOR TRACKING & REPORTING LOBBYING

Insubstantial Part Test

- More vague method of reporting lobbying activities.
- “A charity’s lobbying activities cannot constitute a substantial part of its total activities and expenditures.”
- This method poses challenges, as “substantial part” is not defined in legislation.

Expenditures Test

- More defined method of reporting lobbying activities.
- Defines lobbying strictly in terms of how much the organization spends on lobbying.
- Organizations may spend 20% of their first \$500k of their annual expenditures on lobbying; 15% of the next \$500k, and so on, up to \$1 million.

Expenditure Test Reporting

- Nonprofits are automatically subjected to the Insubstantial Part Test unless they file IRS Form 5768 to elect the Expenditure Test.
- Requires you to file Form 5768 (under Sec. 501(H) of IRS Code) with the IRS indicating your organization has elected to come participate in lobbying.
- You can file anytime during the current tax year and it will remain effective indefinitely, or until your organizations elects to cease lobbying activities.