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Political Activity Limitations for Tax-Exempt Organizations Quiz

1. A 501(c)(3) entity can weigh in on a political campaign as long as the activity is minimal.
True
False
2. A 501(c)(3) entity can lobby as long as the activity is minimal.
True
False
3. Which is permissible for a church?
 - a. Minister/church leader promotes a candidate from the pulpit.
 - b. Minister/church leader puts an election sign in the front yard of his/her home.
 - c. Church hands out pamphlets endorsing candidates for election, but distribution is limited to the church congregation.
 - d. Church invites a candidate to speak at its services.
4. If a candidate for public office approaches a 501(c)(3) entity and asks to speak at a function, how should the entity respond?
 - a. "NO!"
 - b. Yes, but only if the candidate limits the talk to charitable nonprofit topics related to the charity's mission.
 - c. Yes, as long as the candidate does not ask for votes.
5. Which online activity is permissible?
 - a. 501(c)(3) entity includes a link to a campaign site on its website.
 - b. 501(c)(3) entity's Facebook page includes a post about a candidate, providing an opinion that is in support of or in opposition to that candidate.
 - c. The CEO of the 501(c)(3) entity posts the same statement as (b), but on his/her personal Facebook page.
 - d. 501(c)(3) entity's Facebook pages includes the same statement as (b), but clarifies that it is the personal opinion of the CEO.
6. Tax-exempt entities can conduct voter education during an election, and it is not considered lobbying. But the activity must be nonpartisan. Which activity is prohibited?
 - a. Organization A prepared a compilation of voting records of members of Congress on a major legislation on a variety of topics, without editorial comments.
 - b. Organization B, primarily concerned about land conservation, published a compilation of candidates' voting records on land conservation issues, without editorial comments.



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- c. Organization C published responses to a questionnaire it sent to all candidates for an office, soliciting a brief statement on a variety of issues. The questionnaire did not evidence a bias on any issue.
7. A 501(c)(3) entity can influence, without limitation, the actions by a local school board.
True
False
8. A 501(c)(3) entity is lobbying if it mass mails a pamphlet that references specific legislation and reflects a positive or negative viewpoint of that legislation.
True
False
9. A 501(c)(3) entity cannot make a grant to an organization that is openly involved in political activity.
True
False
10. Activities such as public education, grassroots organizing, policy advocacy and nonpartisan voter education are permitted as “Issue advocacy” and not lobbying.
True
False

Check Your Answers:

1. False. Campaign involvement is strictly prohibited for 501(c)(3) entities.
2. True. Lobbying is allowed for a 501(c)(3) entity to a minimal extent. There are several exceptions to this prohibition which allow these organizations to be more involved in some activities that would otherwise be considered lobbying.

Note: What is the difference between campaigning and lobbying? While each definition has several exceptions, they can be summarized as follows:

Political Campaigning

Influencing the outcome of any specific public election by conveying an opinion for or against a candidate, either verbally or in writing.

Lobbying

Carrying on propaganda or otherwise attempting to influence legislation, defined as an action



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by congress, state legislature, any local council or similar governing body. For example, lobbying includes urging voters to contact their local congressperson relating to pending legislation.

3. B. Pastors and other leaders of 501(c)(3) organizations have First Amendment rights to express their views, as long as they do so individually, and not on behalf of the 501(c)(3) organization. If you guessed (d), that would also be correct as long as the candidate's remarks are not related to his or her campaign.
4. B. For the same reason that (D) would have been correct in #3 above.
5. C. For the same reasons as #3 above. D is not permissible because the resources of the 501(c)(3) are being used for campaign purposes, even though it specifies that it is only the opinion of an individual and not of the 501(c)(3) entity.
6. B. Only (b) is prohibited. Educational materials are considered partisan, and qualify as lobbying, if they include voting records or a questionnaire responses limited to only one specific topic or issue. Nonpartisan educational materials include information on a variety of issues.
7. True. The lobbying limitations do not include attempts to influence actions by executive, judicial or administrative bodies, such as school boards, housing authorities, sewer and water districts, zoning boards or other similar federal, state and local special purpose bodies.
8. False, technically. A mass mailing is considered grassroots lobbying. Grassroots lobbying includes three elements: (1) a communication that refers to specific legislation, that has already been introduced to a legislative body, that the organization either supports or opposes, (2) reflects a view as to the desirability of the legislation, and (3) encourages the recipient to take action. In this example, the third element is missing. If the mass mailing urged the recipient to contact their legislator, provided contact information for a legislator, included a petition or tear-off portion to mail to a legislator, or included a list of legislators who were currently undecided on the legislation, then that mailing would be considered grassroots lobbying.
9. False. If the grant by the 501(c)(3) entity does not exceed the budget for the non-political activity, it is not participating in political activity. Best practices would ensure that the 501(c)(3) entity specifically earmarks the grant for specific charitable purposes outside of the political activities and specifies that those funds cannot be used to support the political activities of the recipient organization.



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10. True. Issue advocacy is the primary charitable purpose of many 501(c)(3) organizations. It is important to recognize the distinction between issue advocacy and lobbying or political campaigning.

Note that this quiz is not intended to provide legal advice. There are many exceptions to each rule and different facts may provide different results. If you or your 501(c)(3) organization have questions about your political activity, please contact Holtvluwer Law to schedule an appointment.

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