



Colorado
NONPROFIT
Association

Serving nonprofits. Strengthening communities.

Speak for Yourself

Nonprofit Public Policy Toolkit

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INTRODUCTION

Can nonprofits get involved in public policy? Yes they can - and they should! Nonprofits are allowed to lobby and advocate for the causes and communities they represent. The confusion often results because charitable nonprofits [501(c)(3) organizations] are prohibited from supporting or opposing candidates for elected office.

Nonprofits offer expertise in their areas of service and come from a critical perspective that policymakers need to make the best decisions for the communities they represent. Nonprofits can also work together to craft policies that ensure an environment that supports their ability to serve communities well.

This toolkit will give the basic parameters for what nonprofits can and cannot do with respect to public policy, lobbying, and advocacy. It also provides guidance for nonprofits wishing to educate and engage their constituents and community members in civic and voter engagement activities.

If you have additional questions that are not answered by this toolkit or would like to get more involved in public policy, feel free to contact us. Note that this toolkit is for general information only. It should neither be construed to be legal advice nor substituted for an individual consultation with an attorney.

ADVOCACY, LOBBYING, AND CIVIC ENGAGEMENT IN THE NONPROFIT SECTOR

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WHAT IS CIVIC ENGAGEMENT?

Nonprofit organizations and the nonprofit sector benefit from civic engagement because it can help them:

- make laws that support the interests of nonprofits and the communities they serve
- shape and implement policy solutions
- increase organizational visibility and reach
- help the people they serve
- inform policymakers about key issues
- build public trust
- advance social causes

Civic engagement or **civic participation** is “individual and collective actions designed to identify and address issues of public concern” ([American Psychological Association, www.apa.org/education/undergrad/civic-engagement.aspx](http://www.apa.org/education/undergrad/civic-engagement.aspx)).

According to [Philanthropy for Civic Engagement \(www.pacefunders.org/\)](http://www.pacefunders.org/), civic engagement activities vary. “From volunteering to voting, from community organizing to political advocacy, the defining characteristic of active civic engagement is the commitment to participate and contribute to the improvement of one’s community, neighborhood, and nation”.

NONPROFITS ENGAGING THE COMMUNITY

Public support is more than public understanding of the issue or willingness to participate in public meetings; it's also public will to take action addressing the issue. Nonprofits should not expect that people will automatically support their cause because it's clearly right; they have to work to generate that support. Having that support lends credibility to the cause and builds momentum. With enough credibility and momentum, people are less likely to question the cause or courses of action to advance the cause. Having public support facilitates accomplishment of policy changes because the policymakers will perceive your course of action as coming from the mainstream and not the fringe.

Public support also means ongoing community ownership of the issue. University of Kansas' [Community Tool Box](http://ctb.ku.edu/en/default.aspx) (<http://ctb.ku.edu/en/default.aspx>) offers several community support tools and checklists to help organizations determine tough questions nonprofits need to ask when searching for public support. The following information is adapted from this tool box.

Among some of the questions to ask are:

Why do you need public support? e.g., to gain community credibility, to take action on the issue, to accomplish political goal, to foster public ownership of solutions and their implementation, and so on.

Whose support do you need? e.g., community leaders, media, those most affected by the issue, policymakers, community activists, opinion leaders, etc.

When should you try to gain support? e.g. times of crisis, when an issue has become emergent or affects a critical number of people, when there's new information on the issue, when the politics are favorable.

How do you gain public support for addressing community issues? e.g. by being an authority on the issue, enlisting or demonstrating support from the community or community groups, communicating on the issue or highlighting it in events, working on the issue one person at a time, helping the community own the issue, etc.

ASSESSING COMMUNITY NEEDS AND RESOURCES

When involved in civic engagement activities, nonprofits should identify and be aware of the resources and needs of the community on an ongoing basis. Nonprofits can perform community assessments in many ways but the most important part of the process is listening to the insights of various stakeholders while incorporating community data and history into the analysis.

Phase I: Brainstorm. Identify what you want to find out, including unanswered questions. Also, determine outside resources to help you understand the issues.

Phase 2: Start with what you know. This includes possible solutions, needs, available resources, other studies, and experts on the topic. Some of what you know may not be correct, so be sure to think critically about your information and sources.

Phase 3: Decide what you still need to know, and finalize the questions you will ask. Review the questions you created through brainstorming and initial inquiries. Run them by your group and other influential people once more to ensure they will clearly convey your interests.

Phase 4: Identify your target population. Although many people can provide answers, who has the information to help you answer the questions in the most useful way? Are these questions appropriate for your target group?

Phase 5: Decide what methods you will use to collect information. For example, individual interviewing, followed by a survey, is an excellent combination if your organization has enough resources. Calling influential community members is useful if the issue is emergent or if you are already knowledgeable in the area.

Regardless of the method you choose, it is important to take into account:

- the amount of time available
- the number of people assisting you
- available resources
- the size and characteristics of the target population(s)
- your relationship with the target population(s)

Some useful ways of gathering data include:

- **Listening sessions** - small public forums that use specific questions to learn about the community's perspectives on local issues and options including resources, barriers, and possible solutions.
- **Public forums** - larger, broader, and well publicized gatherings where citizens discuss important issues. They give people of diverse backgrounds a chance to express their views and help the nonprofit understand not only the community's needs and resources, but also where the community is and would like to go.
- **Needs assessment** – assessments ask community members about their most important collective needs. These tools are focused more on outcomes to improve dissatisfaction with the status quo rather than analysis of process.
- **Asset mapping** - focuses on leveraging existing community strengths and resources to solve problems rather than areas needing improvement. This approach helps empower community members and build cohesiveness and commitment to community initiatives.

Phase 6: What is missing? What are the limitations of the assessment or study? Once you've identified your questions, your audience, and your data collection methods, you're almost ready to implement your plan. But first, it's a good idea to review your plan and identify and fix, to the extent possible, its limitations. Taking a look at the weaknesses in the method you are using can strengthen the study or prompt supplemental ideas.

Phase 7: Determine whether you have the resources to conduct. This is something you should have held in the back of your mind throughout the planning phase. Now that you're ready to implement your plan, it's time to focus on the cost. It should go without saying that before you begin a full-scale effort, you should be sure your organization can afford it!

WHAT IS ADVOCACY?

Advocacy means identifying, embracing, and promoting an issue or cause. Advocacy can influence public opinion as well as public policy (From *Make a Difference for Your Cause: Strategies for Nonprofit Engagement in Legislative Advocacy* (2006) published by the [Center for Lobbying in the Public Interest](http://www.clpi.org/), www.clpi.org/).

ADVOCACY COMMUNICATIONS PLANNING

Information provided by the organization to the general public, the media, and policymakers becomes a matter of public record, and these activities may be subject to lobbying limitations and political campaign prohibitions. It is therefore essential that information provided about or emanating from the organization is timely and accurate and that the social and political context of the information is clear.

Nonprofits should plan for their communications to ensure they are clear and accurate, adhere to applicable state and federal rules; and that they are prepared for public response. Tools like the [Strategic Communications Planning document](#) by the SPIN Project (<http://spinproject.org/downloads/StrategicCommunications.pdf>) emphasize assessing communications infrastructure, setting goals, determining the audience and establishing the frame and message.

According to [Now Hear This: The 9 Laws of Successful Advocacy Communications](#) by Fenton Communications (www.fenton.com/FENTON_IndustryGuide_NowHearThis.pdf), “the public wants to know what to do, how to do it and why now”. Best practices listed in this document include creating clear goals, targeting audiences, utilizing concise messages, developing planning skills, and more.

Other resources for developing effective communications:

- [10 Ways Advocacy Groups Can Prepare Communications for the Legislative Session](#) by Nonprofit MediaWorks (www.nonprofitmediaworks.com/2011/01/05/10-ways-advocacy-groups-can-prepare-communications-for-the-legislative-session/) discusses preparing fact sheets and preparing effective messaging materials that define and clarify your cause and call to action.

- Cause Communications' [resources and guides](#) (www.causecommunications.org/) include a communications toolkit, online outreach tools, and guides for effective presentations. Free registration is required to download materials.

WRITING A PUBLIC POLICY/ADVOCACY PLAN

Nonprofits should adopt a written policy that clarifies the scope of their advocacy/public policy work, as well as the time and resources to be allocated to those activities, including clear guidelines that explain and adhere to the limits on lobbying activity and prohibit political campaign activity.

While the content of such a policy depends on the priority and resources that a nonprofit devotes to advocacy, a number of resources exist to help nonprofits get started.

The Center for Lobbying in the Public Interest has a [strategic planning document](http://www.clpi.org/images/pdf/pressroom/strategic%20planning%20for%20advocacy%20-%20cohen.pdf) (www.clpi.org/images/pdf/pressroom/strategic%20planning%20for%20advocacy%20-%20cohen.pdf) based on Advantages Challenges Threats Opportunities and Nine Questions (ACTON), along with next steps.

Also, see [The Basics of Planning for Citizen-Centered Advocacy](http://www.justassociates.org/chap5%20planning%20basics.pdf) by Just Associates (www.justassociates.org/chap5%20planning%20basics.pdf) for specific tips on advocacy planning, including overall strategy, involving stakeholders, and planning assessment.

WHAT IS LOBBYING?

Lobbying is generally understood by IRS regulations as any attempt to influence specific legislation. The state of Colorado also has additional rules about lobbying, and this section is

Lobbying consists of:

1. contacting or urging the public to contact **policymakers** for the purpose of proposing, supporting, or opposing legislation; or
2. advocating the adoption or rejection of legislation

Policymakers include anyone who has direct influence over the outcome of a piece of legislation, such as:

- Legislators (members of Congress; state senators and representatives)
- Legislative aides
- Governor
- Lt. Governor
- President
- Voters (Initiatives and referenda)

WHAT POLICY ACTIVITIES ARE NOT CONSIDERED LOBBYING

1. **Distributing materials to members of your organization** that discuss legislation but do not urge action by the members
2. **Making available the results of analysis or research** on a legislative issue, as long as the facts are presented fully and fairly
3. **Responding to written requests for technical advice** from a legislative body (not an individual legislator)
4. **“Self-defense” lobbying** on matters that affect the organization's existence, powers and duties, tax-exempt status, or deductibility of contributions
5. **Discussing broad social issues**, without mentioning specific legislation
6. **Offering your opinion or educating your legislator on an issue**, without directly relating it to specific legislation

From Minnesota Council on Nonprofits

COLORADO RULES ON LOBBYING

Under state law, lobbying means communicating directly, or soliciting others to communicate with an elected or administrative official, or legislator to aid or influence legislation or a state agency's rules. This applies to debating, amending, advocating passage/defeat or approval/veto of any legislation/rule, nomination, appointment, or other matter considered by the General Assembly, the Governor, or agency or board with rulemaking authority.

Reportable communications include activities undertaken by the individual or business engaging in lobbying and any individuals or entities acting as requested to prepare for such lobbying. Reporting does not include activities from the prior fiscal year and expenditures made in the ordinary course of business and affairs (i.e., bookkeeping, data collection).

Also, lobbying does not include:

- Individuals or businesses who are not registered lobbyists and limit their activities to:
 - giving testimony or providing information to committees of the General Assembly,
 - appearing at public hearings of state agencies, or
 - giving testimony or provide information at the request of public officials if they identify themselves and the interest they represent
- Communications required by laws, rules, regulations, or orders
- Orders or subpoenas by a committee of the General Assembly or rule-making board or commission requiring an appearance or testimony by an individual or business
- Communications by an attorney on behalf of an identified client per the practice of law
- Actions by legislative employees

REGISTERING AS A LOBBYIST

The Colorado Secretary of State's elections web page provides the following information about who needs to register as a lobbyist:

1. **"Professional lobbyists"** are registered through the Secretary of State's office.
2. **Lobbyists who receive some form of compensation** are required to register prior to engaging in lobbying activity.
3. **"Volunteer lobbyists"** register with the Chief Clerk of the House of Representatives pursuant to Rule 40 of the Rules of the House of Representatives and Rule 36(c) of the Joint Rules of the House and Senate.

To register as a lobbyist in Colorado, go to www.sos.state.co.us and go to the home page for lobbyist disclosures. Click on the link to request a user ID for electronic filing. Once you have received a user ID and password, you can log in to the system. Once you register and pay the annual fee, you will be able to register as a lobbyist and file your monthly disclosure reports.

As a registered lobbyist, you will need to file a report of your lobbying income and expenditures every month, *even if you have no lobbying income or expenditures to report for that month*. Reports are due by the 15th of the following month; check the Secretary of State's lobbyist calendar for an annual schedule. During the legislative session, you will be required to report on the bill you are tracking and positions on those bills as well.

STANDARDS OF CONDUCT FOR LOBBYISTS

The Secretary of State's website contains a number of documents with [rules and guidelines](http://www.sos.state.co.us/pubs/lobby/lawsRules.html) for professional and volunteer lobbyists (www.sos.state.co.us/pubs/lobby/lawsRules.html). Lobbyists are required to be familiar with these rules and guidelines.

In particular, with the passage of Amendment 41 in 2006 (Article XXIX of the state constitution), lobbyists are not permitted to give gifts or provide items of value to any state or local government employee.

Individuals and organizations who do not lobby may not provide more than \$50 total (updated periodically for inflation) per year of gifts or things of value to particular government employees unless lawful consideration of equal or greater value is provided in return by the government employee. Registered lobbyists are prohibited from providing any gifts or items of value to government employees.

Amendment 41 does not apply to campaign contributions, gifts from relatives or friends on special occasions, or normal compensation.

Amendment 41 contains exceptions for the following:

- items of trivial value, awards, and unsolicited informational material;
- admission and food and beverages for any event where the government employee speaks as part of the program.
- other reasonable expenses for any event where the government employee speaks as part of a program provided that the nonprofit organization receives less than 5% of its total funding from for-profit entities.

Amendment 41 creates an [Independent Ethics Commission](#) to oversee complaints and to issue advisory opinions regarding government ethics (www.colorado.gov/ethicscommission). Opinions of the commission can be found at www.colorado.gov. These opinions are organized by topic and can be helpful in planning outreach to government employees and understanding how Amendment 41 is interpreted to apply to particular types of situations. If your organization does provide anything of value to legislators, tracking the value of the goods of services provided will help ensure that your organization does not violate the \$50 limit particularly if it is not clear if an exception in the law applies.

LOBBYING, FINANCIAL LIMITS, AND THE 501(H) ELECTION

Section 501(c)(3) of the Internal Revenue code (US Code Section 26), defines the activities of nonprofit organizations related to legislation, “no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation”. The Internal Revenue code does not explain what ‘no substantial part’ means exactly.

IRS guidance suggests that the IRS determines whether or not influencing legislation has been a substantial part of a nonprofit’s activities based on various factors such as an “organization’s prominence, perceived impact on public opinion, and use of unpaid volunteer labor”. Rulings on related court cases suggest that research, discussions, work conducted by volunteers and other cost-free activities that support any type of lobbying count as attempts to influence legislation.

Hence, an organization with a committed cadre of volunteers that successfully lobbies to pass or defeat a bill may be considered to have substantially influenced legislation, even though it did not spend any money. In 1976, Sections **501(h)** and **4911** were added to the IRS code to allow public charities to “elect” to be governed by regulations that provide clearer definitions of financial limits and acceptable lobbying activities.

How to Make the 501(h) Election

- You must be a 501(c)(3)
- File IRS Form 5768 before the end of fiscal year

Download the one-page form at:
www.irs.gov/pub/irs-pdf/f5768.pdf

About Filing

- 501(h) is only filed once
- Can be used to record activities of the previous year

Canceling the 501(h) Election

To return to being governed by the substantiality rule, notify IRS before beginning of fiscal year (use same form)

WHY CHOOSE THE 501(H) ELECTION?

- 501(h) provides more generous lobbying limits.
- The 501(h) test is clear and easy to calculate.
- Volunteer and other efforts that do not cost the organization money will not count toward the exhaustion of the lobbying limits.
- An electing organization cannot lose its exemption for a single year’s excessive expenditures while a non-electing organization can.
- There is no personal penalty for individual managers of an electing organization that exceeds its lobbying expenditure limits.

From *Worry Free Lobbying for Nonprofits* (2007) published by the Alliance for Justice (www.afj.org)

Unlike the “substantial part” test, organizations making the 501(h) election must report on two categories of lobbying: 1) **direct lobbying** and 2) **grassroots lobbying** as follows:

Direct Lobbying	Grassroots Lobbying
Any attempt to influence legislation through communication with any member or employee of a legislative body, or with any other government official who may participate in the formulation of legislation.	Any attempt to influence legislation by affecting the opinion of the general public.
<p>A three part test determines if a specific activity constitutes direct lobbying:</p> <ol style="list-style-type: none"> 1. the principal purpose is to influence legislation; 2. there is reference to a specific piece of legislation (even if the legislation is not currently under consideration); and 3. a point of view is expressed <p>Note: Asking members of your organization to contact legislators is considered direct lobbying since they are part of the organization and presumably working on its behalf. However, encouraging members to urge the general public to lobby legislators would be considered grassroots lobbying.</p> <p>(From NCADV, www.ncadv.org/files/HowtoLobbyManualFinal2006.pdf)</p>	<p>Grassroots lobbying occurs when:</p> <ul style="list-style-type: none"> • the organization encourages the public to lobby; • the organization refers to a specific piece of legislation and provides information to the public on how to contact decision makers <p>Paid mass media advertisements are grassroots lobbying when they:</p> <ul style="list-style-type: none"> • appear within two weeks of a legislative vote on highly publicized legislation; • reflect a specific position on the legislation, and either refer to the legislation or encourage the public to communicate with legislators about the legislation

SPENDING UNDER 501(H) AND 4911

Nonprofits electing to be governed by sections 501(h) and 4911 may spend the percentages listed in the chart below on lobbying activities.

Budget size*	Total annual expenditures that may be spent on lobbying
Up to \$500,000	20%
\$500,000 to \$1,000,000	\$100,000 + 15% of budget in excess of \$500,000
\$1,000,000 to \$1,500,000	\$175,000 + 10% of budget in excess of \$1,000,000
\$1,500,000 to \$17,000,000	\$225,000 + 5% of budget in excess of \$1,500,000
Over \$17,000,000	\$1,000,000

Note: No more than 25% of the above permitted amounts may be spent on 'grassroots' lobbying. Also, there is no limit to the lobbying that may be conducted by volunteers who are not reimbursed.

To calculate a nonprofit's lobbying limit, the nonprofit must first calculate the amount of its exempt purpose expenditures. According to the [U.S. Code \(http://uscode.house.gov/download/pls/26C41.txt\)](http://uscode.house.gov/download/pls/26C41.txt), the term 'exempt purpose expenditures' refers to "the total of the amounts paid or incurred by such organization to accomplish purposes described in section [170\(c\)\(2\)\(B\)](http://www.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00000170---000-.html#c_2_B) (www.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00000170---000-.html#c_2_B), relating to religious, charitable, educational, etc., purposes."

According to the Alliance for Justice, exempt purpose expenditures include "expenditures of lobbying, depreciation and amortization of its assets, controlled grants (i.e., pursuant to an agreement that the grant money may only be used for certain non-lobbying purposes), and costs of most in-house fund raising that is not conducted by a separate fund-raising unit."

*For most organizations, expenditures for exempt purposes are the budget. Such expenditures do not include taxes and expenses associated with unrelated business, capital expenses for new buildings or making permanent improvements, expenses for a separate fund raising unit, or the services of a fundraising consultant.

Generally, nonprofits with federal grants are prohibited from using federal funds from the grants for lobbying but may lobby with private funds. Churches and certain affiliates, government units, supporting organizations for 501(c)(4),(5),(6) organizations, and 509(a)(4) public safety organizations are not eligible for the 501(h) election.

501(h) Election Takeaways

Organizational Spending

- Lobbying spending up to 20% of an organization's budget is usually permitted.
- Lobbying spending limits vary based on the organization's size and budget.
- Up to 25% of the lobbying budget may be spent on grassroots lobbying.
- Up to 100% of lobbying budget may be spent on direct lobbying.
- No-cost activities do not count against lobbying spending limits (e.g., volunteer time).

About the 501(h)

- 501(h) gives a clear dollar limit on spending for lobbying.
- 501(h) gives clear definitions of acceptable lobbying activities.
- Lobbying limits under 501(h) are based on the organization's budget size and the percentage of the budget that the organization spends on lobbying.

Other Options

- A 501(c)(3) not electing the 501(h) may still lobby so long as activities are not a 'substantial' part of overall activities.
- An organization may opt to create a 501(c)(4) organization to go beyond 501(c)(3) lobbying limits.

Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation

(Under Section 501(h) of the Internal Revenue Code)

For IRS
Use Only ►

Name of organization	Employer identification number
Number and street (or P.O. box no., if mail is not delivered to street address)	Room/suite
City, town or post office, and state	ZIP + 4

1 Election—As an eligible organization, we hereby elect to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year endingand all subsequent tax years until revoked. (Month, day, and year)

Note: This election must be signed and postmarked within the first taxable year to which it applies.

2 Revocation—As an eligible organization, we hereby revoke our election to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending (Month, day, and year)

Note: This revocation must be signed and postmarked before the first day of the tax year to which it applies.

Under penalties of perjury, I declare that I am authorized to make this (check applicable box) ► election revocation on behalf of the above named organization.

..... (Signature of officer or trustee) (Type or print name and title) (Date)
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General Instructions

Section references are to the Internal Revenue Code.

Section 501(c)(3) states that an organization exempt under that section will lose its tax-exempt status and its qualification to receive deductible charitable contributions if a substantial part of its activities are carried on to influence legislation. Section 501(h), however, permits certain eligible 501(c)(3) organizations to elect to make limited expenditures to influence legislation. An organization making the election will, however, be subject to an excise tax under section 4911 if it spends more than the amounts permitted by that section. Also, the organization may lose its exempt status if its lobbying expenditures exceed the permitted amounts by more than 50% over a 4-year period. For any tax year in which an election under section 501(h) is in effect, an electing organization must report the actual and permitted amounts of its lobbying expenditures and grass roots expenditures (as defined in section 4911(c)) on its annual return required under section 6033. See Schedule A (Form 990). Each electing member of an affiliated group must report these amounts for both itself and the affiliated group as a whole.

To make or revoke the election, enter the ending date of the tax year to which the election or revocation applies in item **1** or **2**, as applicable, and sign and date the form in the spaces provided.

Eligible Organizations.—A section 501(c)(3) organization is permitted to make the election if it is not a disqualified organization (see below) and is described in:

1. Section 170(b)(1)(A)(ii) (relating to educational institutions),
2. Section 170(b)(1)(A)(iii) (relating to hospitals and medical research organizations),
3. Section 170(b)(1)(A)(iv) (relating to organizations supporting government schools),
4. Section 170(b)(1)(A)(vi) (relating to organizations publicly supported by charitable contributions),
5. Section 509(a)(2) (relating to organizations publicly supported by admissions, sales, etc.), or
6. Section 509(a)(3) (relating to organizations supporting certain types of public charities other than those section 509(a)(3) organizations that support section 501(c)(4), (5), or (6) organizations).

Disqualified Organizations.—The following types of organizations are not permitted to make the election:

- a. Section 170(b)(1)(A)(i) organizations (relating to churches),

- b. An integrated auxiliary of a church or of a convention or association of churches, or
- c. A member of an affiliated group of organizations if one or more members of such group is described in **a** or **b** of this paragraph.

Affiliated Organizations.—Organizations are members of an affiliated group of organizations only if **(1)** the governing instrument of one such organization requires it to be bound by the decisions of the other organization on legislative issues, or **(2)** the governing board of one such organization includes persons **(i)** who are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and **(ii)** who, by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

For more details, see section 4911 and section 501(h).

Note: A private foundation (including a private operating foundation) is not an eligible organization.

Where To File.—Mail Form 5768 to the Internal Revenue Service Center, Ogden, UT 84201-0027.

WHEN A 501(c)(3) SHOULD CONSIDER A 501(C)(4)

A 501(c)(4) organization is an organization that “is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the community,” according to the [IRS definition \(http://www.irs.gov/pub/irs-tege/eotopici03.pdf\)](http://www.irs.gov/pub/irs-tege/eotopici03.pdf). Contributions by donors to 501(c)(4) organizations are generally not tax-deductible.

While most 501(c)(4) organizations stand alone, some are affiliated with or “arms” of a 501(c)(3) organization (or vice versa). 501(c)(4)s have few limits on their lobbying expenditures, so some 501(c)(3)s choose to create an affiliated 501 (c)(4) to lobby more actively and not exceed 501(c)(3) limits.

Despite the affiliation, a 501(c)(4) must maintain legal separation from a 501(c)(3). Any funding provided by a c3 to a c4 for lobbying purposes counts against the c3’s lobbying limit. As cited in Alliance For Justice (AFJ) publication [Election Year Activities for 501\(c\)\(4\) Social Welfare Organizations](#):

Because 501(c)(3) charities are restricted from engaging in candidate campaign activities, maintaining legal separateness from a 501(c)(4) organization is essential. A 501(c)(3) must be able to “demonstrate that it is not subsidizing, directly or indirectly, the political work of its affiliated 501(c)(4),” according to AFJ in their publication about hosting joint websites (www.afj.org/assets/resources/nap/fact_sheet_on_c3_c4_websites.pdf).

501(c)(4): Nonprofit organizations that promote social welfare

For more information about permissible civic engagement activities for 501(c)(4) social welfare organizations, visit www.afj.org/assets/resources/nap/election-year-activities-for-501c4s.pdf.

FEDERAL REPORTING: FORM 990

Currently, nonprofits that gross more than \$25,000 per year file either **Form 990** or **Form 990EZ**. They all report their lobbying activities on Schedule C of the form. However, the section that the nonprofit completes depends on whether or not the organization has made a 501(h) election.

Nonprofits that have not made the 501(h) election will fill out Part II-B reporting on activities performed and expenditures made (including the work of volunteers).

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Nonprofits that have made the 501(h) election fill out Part II-A reporting on direct and grassroots lobbying expenditures.

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group.
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a. If zero or less, enter -0-															
i Subtract line 1f from line 1c. If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

If your organization exceeds the annual limits in a given year, you are subject to a tax penalty but would not lose your exemption as a result. The excise tax is one quarter of the amount of lobbying expenditures in excess of the limit. The IRS uses a four-year rolling averaging period, and you are only in danger of losing your organization's exemption if it exceeds the limits by more than 50 percent over that entire period. See sample below.

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2009

VOTER ENGAGEMENT

Nonprofits should encourage citizen participation in local, state, and federal policy-making efforts amongst its stakeholders.

Besides efforts directly focused on legislative bodies or government, nonprofits can engage in voter engagement activities to encourage citizen participation. According to [NonprofitVOTE \(www.nonprofitvote.org/\)](http://www.nonprofitvote.org/), voter engagement might include such activities as voter registration drives, Get Out The Vote (GOTV) campaigns, candidate forums, and voter education sessions.

Voter engagement activities may be for educational purposes. For example, educating voters on the voting process, how to find information on the candidates, and “voter protection” activities (protecting voters from actions that prevent free exercise of voting rights).

Activities that support or oppose ballot measures are permitted, but considered to be lobbying and subject to federal and state rules and reporting requirements on lobbying activity (see Lobbying section below).

There are key prohibitions and limitations that apply to voter engagement activities including but not limited to the following:

- Nonprofits are prohibited from supporting or opposing candidates for elected office. However, this prohibition generally does not limit the ability of individuals to support or oppose candidates using their own time and resources provided they are not acting on behalf of the nonprofit.

- Generally, nonprofits are prohibited from using federal funds for voter registration. Nonprofits can use other sources of funding for voter registration, unless those funds have similar restrictions on how they are used.
- Nonprofits can target GOTV activities towards traditionally underserved or underrepresented areas or populations; however, they may not target populations based on their political or ideological leanings.

NonprofitVOTE's [Nonprofits, Voting & Elections](http://www.nonprofitvote.org/nve-cover.html) (www.nonprofitvote.org/nve-cover.html) addresses voter engagement issues in greater detail.

RULES ON NONPROFIT ELECTION ACTIVITIES

Rules governing what charitable nonprofit organizations can and cannot do leading up to and during an election are also subject to the same rules on lobbying and non-partisanship.

An organization:

- *may* support or oppose a piece of legislation or a ballot issue, but
- *may not* support or oppose an elected official or candidate for office

Voter and election activities all 501(c)(3) organizations CAN DO on a non-partisan basis <i>From Independent Sector</i>	Lobbying (L) or Advocacy (A)
Voter registration	A
Voter education on the process of voting - Where to vote, information on elections and election process.	A
Voting rights and election reform	A
Get Out the Vote (GOTV) - Encouraging and facilitating voting of your community and members.	A
Election day activities - Election monitors, non-partisan GOTV, etc.	L
Voter education on the candidates and ballot issues	L
Supporting and opposing ballot questions – These activities are subject to normal lobbying limits. There are no limits on non-partisan voter education on ballot measures that presents both sides of the question. Regular lobbying limits apply if your organization endorses “yes” or “no.”	L
Publishing legislative scorecards – Scorecards must be provided for all officials	L

eligible to vote. Scorecards leading up to an election should be prepared and used in the same manner as in nonelection times. It is best to avoid publishing scorecards leading up to an election if your organization has not regularly published them in the past.	
Candidate questionnaires – Questions must be nonpartisan and cover a broad range of topics. If a particular topic is a partisan debate topic, such as abortion, gun control, etc., avoid asking questions about that topic. Reprint the exact answers of the candidates, and give equal opportunities to all candidates to answer and publish answers from all candidates.	A
Candidate forums – All candidates must be invited and equally encouraged to attend. If a majority of candidates cannot attend, be sure to remain nonpartisan in questions and cover a broad range of topics. If a particular topic is a partisan debate topic, such as abortion, gun control, etc., avoid asking questions about that topic.	A
Candidate education – Educate all of the candidates equally on public interest issues.	A
Renting mailing lists and facilities to organizations, legislators, and candidates – Rentals must be made at fair market value and if made available to members of one party, must be available to members of all other parties. It is best to follow rental procedures established independent of election cycles.	A
Establishing a controlled 501(c)(4) organization	

Election activities 501(c)(3) organizations CANNOT DO <i>From Independent Sector</i>
Endorse candidates for public office*
Make any campaign contributions*
Make expenditures on behalf of candidates
Restrict rental of their mailing lists and facilities to certain candidates
Ask candidates to sign pledges on any issue (tacit endorsement)
Increase the amount of incumbent criticism as election time approaches
Publish or communicate anything that explicitly or implicitly favors or opposes a candidate

*While nonprofit organizations cannot participate in or contribute to a candidate's campaign, volunteers, staff, or board members of an organization may do so provided that they are clearly acting as individual citizens, not on behalf of the organization.

FUNDING LOBBYING EFFORTS

HOW CAN PUBLIC POLICY WORK ATTRACT FUNDING?

Organizations that are active in public policy advocacy present a distinct image of themselves to the public. Public policy advocacy conveys a message that your organization is:

- Leading or emerging as a leader in its field or in the nonprofit sector
- Advocating for social change as well as providing services to clients
- Actively protecting the best interests of clients, the organization, and the sector
- Informed and aware of broad issues relevant to goals, missions, and the sector as a whole
- Comprehensively pursuing long-term sustainability, quality of services and impact by incorporating attempts to influence systemic change on a socio-political level to reach goals

GRANTS FOR LOBBYING AND ADVOCACY

Organizations supported wholly or in large part by government grants are subject to the rules of the Office of Management and Budget (OMB) [Circular A-122](#). With three limited exceptions, nonprofits are not permitted to use federal funds to engage in lobbying activities, *although they are permitted to lobby with money from other sources* (www.whitehouse.gov/omb/circulars_a122_2004).

The three exceptions are:

1. Technical and factual presentations to legislative bodies on topics directly related to the grant (the legislative body must have requested the information).
2. Lobbying state legislatures to influence legislation that would help to reduce the cost of carrying out program activities, or to avoid the impairment of the organization's ability to carry out its program activities (the lobbying must be pragmatic in nature, not ideological).
3. Lobbying activities specifically authorized in the grant or contracts.

Private foundations are not permitted to lobby or earmark grants for lobbying. They can make general purpose grants or even grants for a specific initiative with a lobbying component as long as the initiative's non-lobbying component of the budget is greater than the amount given by private foundations. The [IRS sent a letter](#) to the Center for Lobbying in the Public Interest that answers many

questions about foundations, funding and lobbying. The letter can be found at www.clpi.org/images/pdf/IRS%20Letter%202000.pdf.

Community foundations can earmark grants towards lobbying, but they are subject to the same limitations as other 501(c)(3) nonprofits and any money they give specifically for lobbying counts against their financial limit.

The Alliance for Justice has a publication, *Investing in Change: A Funder's Guide to Supporting Advocacy* (www.afj.org/for-nonprofits-foundations/resources-and-publications/pay-for-publications/investing-in-change-1.html) with specific rules for foundations to fund nonprofit advocacy efforts.

IN THIS SECTION:

FACTORS ELECTED OFFICIALS CONSIDER WHEN MAKING DECISIONS

EFFECTIVELY LOBBYING LEGISLATORS

COUNTERPRODUCTIVE TACTICS

WORKING WITH PUBLIC ADMINISTRATORS

MEETING WITH YOUR ELECTED OFFICIAL

TIPS FOR SITE VISITS WITH LEGISLATORS

FACTORS ELECTED OFFICIALS CONSIDER WHEN MAKING DECISIONS

1. **Voters in the district.** Because each elected official must maintain the approval of the voters in his or her district, every legislator thinks first about the needs and desires of the district, and how he or she can explain a vote in common sense terms to voters in the district.
2. **World view.** Like everyone else, legislators develop a certain perspective through which they view all issues that determine how they approach a particular issue. World views are typically shaped by the personal background and experiences of the legislator and may change over time. For instance, legislators who tend not to support government mandates could vote for a car seat belt law if they or someone they know was saved by a seat belt in a car accident.
3. **Professional associations.** People tend to be influenced most by other people with whom they associate regularly. For example, a business owner may tend to be more influenced by opinions from the local chamber of commerce to which the business belongs. Or a worker could be more influenced by the opinions of his or her local union. Legislators may be more influenced by professional groups with which they associate due to their professional backgrounds or professional relationships.
4. **Opinion leaders.** Legislators look to those who have influence on public opinion in their district. These opinion leaders could be local elected officials, community leaders, homeowner associations, newspaper editors, radio personalities or others.
5. **Political party affiliations.** While legislators are able to vote how they see fit, their votes are heavily influenced by the policy priorities of their political party. These priorities may change over time and depend on factors such as maintaining or increasing power in a chamber, party

ideology, demands of the voters of the state, and etc. These factors also influence how a legislator works on issues across party lines even if the issues are not necessarily partisan.

- 6. Interest groups.** It can be more difficult for legislators to consider the opinions of those who cannot or do not make themselves heard. Groups representing various interests, including nonprofits, are more likely to be heard if they are able to express their views through lobbyists, the media, telephone calls, letter writing or email campaigns, petitions, or other means. While nonprofit organizations are not permitted to make campaign contributions, individuals can make contributions. Entities like Political Action Committees (PACs) and small donor committees are able to leverage individual contributions to ensure that certain interests are heard by elected officials.

EFFECTIVELY LOBBYING LEGISLATORS

- 1. Personalize your issue.** A legislator must understand the connection between your issue and how it affects his or her district. Personal contacts by voters in the district who have a stake in the outcome of the issue may be very effective. Such contacts help a legislator put a human face to the issue.

- 2. Methods of personal contact.**

Arrange a meeting. A face to face meeting with the legislator is often the best method of communicating. Brevity matters and you should be able to make your case in less than fifteen minutes. Bring along a few people who can speak to various aspects of the issue as appropriate.

Invite the legislator to your place of business. Often an organization can best make an issue personal by demonstrating its impact on your organization's business or the people served. Invite the legislator to your clinic, school, workplace, or neighborhood where you can demonstrate your work and where the legislator can meet the people affected by the issue.

Find the legislator at the Capitol. Legislators are accustomed to being approached by professional lobbyists and members of the public at the Capitol. This means visiting their office, asking them to come out of a committee meeting, or approaching them on their way to another meeting or destination. If you approach a legislator this way, it's critical to explain your issue briefly (i.e., the "elevator pitch") if the legislator has little time to talk. Also, it's important to be familiar with the rules and customs of the legislature regarding lobbying. This approach can be effective for very time-sensitive matters or for arranging a longer meeting to discuss a matter in more depth.

Phone calls. During the legislative session, the telephone may be the best way to reach a legislator. Most of the time, you will likely have to leave a message or talk to a legislative aide. Regardless, the approach should be the same. During calls, quickly identify yourself, your issue and what you're asking the legislator to do or how you want the legislator to vote (i.e., for or against a bill). Be brief and respectful whether you leave a message, or the aide or legislator answers the phone. Legislators field many calls each day and have little time to talk. Most legislators are prepared to take calls by cell phone or home phone, but it's best to respect their private time (no late night or early morning calls) and communication preferences. For example, legislators who take calls on their cell phone will likely make this number available through a website, on their office voice mail, or in their communications with you.

Emails or letters. It may be easier to frame an issue in writing, but this form of contact is less personal than meeting in person or calling. Keep letters to one page and emails to a few paragraphs where possible. Identify the issue and how you want the legislator to vote, or what you're asking of the legislator. Support your position with relevant personal experiences, facts, emotional appeals, and etc., in your own words where possible.

Organize professional or opinion leader contacts. Sometimes a legislator may consider your nonprofit to be another "special interest." It may be more effective to have someone with whom the legislator associates professionally to make the initial contact. For example, a legislator who is a business owner but not too familiar with social service issues may relate better to a business person on the board of a social service agency rather than program staff.

3. **Problem solve and compromise.** In the legislative process, bills rarely end up passing exactly in their original form or as the bill sponsor intended. Success usually requires generating consensus and coalition-building. This means that a successful proposal incorporates the views of various stakeholders. The most effective groups know how and when to compromise and offer alternative solutions that can still achieve their policy goals.

COUNTERPRODUCTIVE TACTICS

1. **Threats.** When groups are passionate about their issue or feel like they are not making headway, they may threaten to work against the legislator or mobilize people to vote against the legislator. Such tactics are not only counterproductive – as legislators rarely give in to threats and may work against those who threaten – but they are also contrary to professional ethics and may violate the law in some cases.
2. **Attacks on the legislative process.** Do not condemn the legislative process or argue that legislators are beholden to special interests and never listen to the average voter. Legislators would not only disagree strongly with these statements but may take such attacks personally

since they willingly represent both the legislative body and process. Such statements do not win them over to your side and may lead them to work against your cause.

- 3. Impersonal form letters and petitions.** Legislators are skeptical of campaigns where many people send form letters, emails, cards, or petitions that are identical or lack clear personalization. Legislators often consider these campaigns to be more indicative of the organizing power of a special interest group rather than a genuine expression of the views of their constituents.

WORKING WITH PUBLIC ADMINISTRATORS

State or local government agencies often address problems without legislation or need of legislator involvement. They oversee implementation of laws or ordinances and usually determine related rules, policies, and processes. When the law states what must be done, administrators are usually in charge of determining how it will be done. Nonprofits should learn how to work effectively with administrators because they establish rules that affect how nonprofits operate and deliver services.

Sometimes agency rules or policies create problems or barriers for members of the public. In these cases, policy change efforts should be directed at the agency first, rather than the authorizing legislation.

In dealing with an administrative agency, find the person or group responsible for making the rule or policy. In state government, this may be the head of the division or agency responsible for that issue area. While dealing with programmatic staff may provide you with the best information on the issue, they may or may not be empowered to make needed changes. You may also need to work with the agency or division director to change policy.

Public administrators do not experience as many of the same factors that affect legislative decision-making. They have certain professional responsibilities to fulfill, and appealing to their professional judgment may be a better way to influence them rather than the personal or emotional appeals that may work better with some legislators.

If the agency is not moved or does not respond to calls for action from the public, a call from an elected official can be more effective in influencing action, because decisions by the legislature affect how an agency operates and is funded.

MEETING WITH YOUR ELECTED OFFICIAL

Personal visits are a highly effective way to help legislators understand your position or program. Legislators welcome visits from constituents. They want you involved! However, these are busy people, so time is critical; plan ahead and use the time well.

You have two state legislators: one state senator and one state representative. If you don't know who your legislators are, find the District number on your Voter Registration Card, call the local League of Women Voters, or call your County Clerk. Also, you can find your district by looking up your residence or place of business at the [General Assembly](http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536134915) (www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536134915).

[Project Vote Smart](http://www.vote-smart.org) (www.vote-smart.org) allows you to look up your legislators by nine-digit zip code.

Also, visit The Association's [GIS map](http://www.coloradononprofits.org/help-desk-resources/geographic-information-system/) for more information on nonprofits in legislative districts at www.coloradononprofits.org/help-desk-resources/geographic-information-system/.

If you make an appointment when the legislature is in session, remember that there is no guarantee the legislator will be able to keep it. Legislative schedules change at a moment's notice. Don't take this personally; it is just "how it is." In all of your visits, expect to be brief, specific and polite.

TIPS FOR AN EFFECTIVE MEETING

Before the Meeting:

- Make it easy for your legislator to meet with you; offer several dates and do your best to accommodate *their* schedule.
- Make an appointment in advance, and expect to get about 15 minutes. Call the Capitol for your legislator's number or visit the [legislative directory](http://www.leg.state.co.us/CLICS/CLICS2011A/csl.nsf/Directory?openFrameset) (www.leg.state.co.us/CLICS/CLICS2011A/csl.nsf/Directory?openFrameset).
- Be on time, be prepared, be polite, and be brief.
- Wear business attire.
- Try to learn in advance where your legislator stands on the issue.

At the Meeting:

- Don't be surprised if they don't know about your issue – that's why you are there.
- Be prepared to explain how the bill will affect you and others in the district.
- Memorize a 90-second speech prior to your meeting. It should include:
 - who you are and any related group or coalition to which you belong
 - the topic you came to talk about (e.g., the name and number of a bill)

- what you want them to do (e.g., “We want you to vote for...”)
- handing them a fact sheet with basic information about your issue and/or group (this way, if the appointment is interrupted, you’ll still have gotten your point across; if the appointment continues, you can elaborate on these key points)
- If you don’t know the answer to a question, say “I don’t know the answer to that, but I will find out and get back to you...”, and then DO.
- Before leaving, ask how *you* can be of help to *them* (more information? A site visit?).
- Follow up with a thank-you note and any information that was requested.

PREPARING A GOOD FACT SHEET

What are fact sheets?

Fact sheets introduce you – and your issue – in a format useful to busy people. They come in many styles, shapes and sizes, but every advocacy group needs at least one.

Good fact sheets honor the idea that busy people need something short and punchy to grab their attention. Anything long and complicated may not just be ignored, it can be counter-productive.

Fact sheets can do many things

- identify your group with a particular issue
- set out facts – key statistics relating to a problem, issue, or group
- provide answers to commonly-asked questions (fact sheets can use a Q&A format)
- set out information using graphics or charts
- inform, persuade, educate (e.g., about a legislative proposal or budget request)
- make an argument for a particular course of action

Good fact sheets rely on format

- not over 1 or 2 pages
- no long sentences or wordy paragraphs
- something easy to read, with sub-headings, bullet points, and possibly graphics
- a layout that carries the eye from basic facts to logical conclusions, or the “pitch”

Good fact sheets rely on content

- the most compelling and useful statistics
- information arrayed to “make an argument”, targeted to a particular audience
- simple examples or ways to convey complicated points
- carefully thought-out content about the audience and what facts work best with *them*
- the presentation of a conclusion or a suggestion of something the reader can do



Support HB 12-1236 to Simplify Colorado Charitable Solicitations Act (CCSA) Reporting!

The Colorado Charitable Solicitations Act applies to persons who hold themselves out to be established for and/or solicit contributions for a charitable purpose. Such persons are required to register and annually report financial information to the Secretary of State's office. Exemptions include charities that do not raise more than \$25,000 or receive contributions from more than ten persons per year; religious organizations exempt from filing with the IRS; political parties, candidates for elected office, and political committees.

HB 12-1236, sponsored by _____, _____, _____ and _____, makes several changes to simplify CCSA registration as follows:

Eliminate the need to file for an initial 3 month CCSA filing extension if the charity has already filed for an extension on their IRS Form 990 (annual information return).

Many nonprofits currently have to apply for extensions on both their Form 990 and CCSA reports because necessary financial information from their Form 990 or their financial audits is not ready. With this change, nonprofits would not have to request a CCSA extension if they have already requested an extension from the IRS. This makes it easier for the charity to meet its deadline without an additional step and reduces the number of extensions to be processed by the Secretary of State's office.

Exempt persons who exclusively raise funds to directly benefit a named individual from registration.

CCSA registration helps ensure funds that charities raise from the public go to support the organization's ability to fulfill its mission. Requiring people to register when they solely raise money to directly assist an individual in a time of need is not necessary.

Clarify that grant writers are not required to register separately as paid solicitors unless their compensation is based on a percentage of the funds they raise.

Although some fundraisers have to register as paid solicitors because they are compensated based on the funds they raise, many are either employed or under contract to raise funds directly for the charity. Since charities already report on their fundraising efforts, it is not necessary for their grant writers to report separately.

Require that paid solicitors state their full name and disclose if contributions are not tax deductible prior to securing a donation over the telephone.

Members of the public should know the identity of a paid solicitor, and if their contribution would be tax deductible, prior to deciding whether or not to give.

Clarify that only monetary contributions must be deposited in a charity's bank account within two business days by a paid solicitor.

Supporters: _____, _____

For more information on this bill contact:

_____, (XXX) XXX-XXXX, xxx@xxx.com
_____, (XXX) XXX-XXXX, ext. XXX xxx@xxx.com

Serving nonprofits. Strengthening communities.

455 Sherman Street | Suite 207 | Denver, Colorado 80203-4494 | (303) 832-5710 | (800) 333-6554 | (303) 894-0161 | www.ColoradoNonprofits.org

LOBBYING BY LETTER

Letters are an important, even critical, way to influence legislation. Letters to the writer's own Senator and Representative are especially important.

Here are some guidelines:

- Make clear your position and exactly what you want your legislator to do.
- Write in your own words and include your own thoughts. Illustrate how the legislation will affect you and others like you.
- Share as much knowledge as you can, but don't worry if you're not an expert; your personal experience is the best evidence.
- Avoid sending form letters, but if you do send one, be sure to personalize it with a handwritten note.
- Don't threaten, browbeat, or get nasty.
- Write briefly, on one subject at a time, and refer to bills by name and number.
- Don't try to become a pen pal; if you write too often you become a nuisance.
- If you ask a question and don't get a reply, follow up with another letter asking clearly for a response.
- When a legislator votes as you asked, send a thank-you note.

During the legislative session, letters should be sent directly to the state Capitol, and may be addressed:

Senator (or Representative) _____

Colorado State Capitol
200 East Colfax
Denver, CO 80203



February 7, 2012

Rep. _____
Colorado State House of Representatives
200 E Colfax Ave Ste X
Colorado State Capitol
Denver, CO 80203-1716

Dear Rep. _____:

The Colorado Nonprofit Association urges you to support SB 11-200 (Boyd/Stephens) to establish the Colorado Health Benefit Exchange. Offering quality health plans with affordable premiums is an important way for nonprofit employers to attract and retain valued employees. The rising cost of providing health insurance coverage also diminishes the funds available to nonprofits to deliver their programs and services. While members of the Colorado Nonprofit Association can get professional assistance and access quality health plans through Nonprofit Resources, our insurance subsidiary, finding cost-effective plans is still a challenge.

The Association supports SB 11-200 because a Colorado exchange would help bring down the costs of health insurance coverage in the following ways:

- Expanding coverage to include those presently uninsured would allow for broader distribution of risk in individual and small group markets.
- More uninsured persons should have access to primary care, which should improve their health outcomes, reduce the costs of emergency care utilization, and reduce cost shifting driven by uncompensated care.
- Because all carriers serving Coloradans are eligible for the exchange, competition among carriers for individuals and small employers seeking coverage should increase.
- Setting up the exchange as a "one stop shop" could help the state realize administrative efficiencies.

In addition, many nonprofits are dedicated to serving uninsured and medically underserved populations and SB 11-200 should strengthen their ability to meet their missions. Establishing a governance structure now will ensure timely implementation, necessary fundraising, board accountability and transparency, and expertise at the table. We think SB 11-200 provides an appropriate structure to make key decisions over the next few years including benefits offered by exchange plans, the role of brokers in helping with navigation of the system, and avoiding adverse selection.

Failure to set up a Colorado exchange would potentially place our state in a federally run exchange and take away our say on what is right for Colorado. Please support SB 11-200 as introduced and give the exchange the tools it needs to provide access to affordable quality care for Colorado's small employers and consumers.

Sincerely,

Handwritten signature of Juan Botello in black ink.

Juan Botello, Board Chair

Handwritten signature of Renny Fagan in black ink.

Renny Fagan, President and CEO

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TIPS FOR SITE VISITS BY LEGISLATORS

By Aponté and Busam (lobbyists for the Colorado Nonprofit Association)

Site visits are an extremely effective means of engaging your legislator(s) on issues of interest to your organization. Legislators want to meet and hear from their constituents, and learn about organizations that help their constituents. However, they are very busy people, so it is crucial to make the most of the time you have with your representatives and senators.

The best time to schedule a legislative site visit is during the summer and fall, when the legislature is not in session. The Colorado Legislature meets from January through the beginning of May. Therefore, this is not the optimal time to request a site visit from your legislator.

TIPS FOR AN EFFECTIVE SITE VISIT

Before the visit:

- Invite your legislator in advance by phone, and follow up with a letter confirming the date and time of the meeting. Expect no more than one hour for a typical site visit.
- Make it easy for your legislator to meet with you. Offer several possibilities and do your best to accommodate their schedule.
- Prepare a good fact sheet about your organization or legislative issue (tips above).
- Learn in advance where your legislator stands on your issue or your nonprofit's mission.
- Be prepared to explain how your organization affects voters in the legislator's district.
- Dress appropriately for the visit – normal business attire is acceptable.

During the visit:

- Be on time, be prepared and be polite.
- Start by concisely introducing your organization. Include the following information:
 - who you are
 - what your organization does
 - what you need from your legislator
 - a reference to the fact sheet you have prepared
- Don't attack the legislator for his/her record on your issue(s) and don't disparage government or politics.
- Don't use technical terms or acronyms, unless you are certain that your legislator will understand them.
- If you don't know the answer to a question, say you'll find out and get back to him/her – and follow through.
- Before s/he leaves, ask how you can be of help to him/her.
- Thank him/her for his/her time.

After the visit:

- Follow up with a thank-you note along with any information that you promised during the visit.
- Keep in touch during the legislative session; contact your legislator on issues of interest to your organization, and remind him/her of his/her visit to your facility.

Colorado Nonprofit Association
455 Sherman St., Ste. 207, Denver, CO 80203
(303) 832-5710
(800) 333-6554
www.ColoradoNonprofits.org
info@ColoradoNonprofits.org

To find your elected officials
www.vote-smart.org

Alliance for Justice
11 Dupont Circle, NW, 2nd Floor,
Washington, DC 20036
(202) 822-6070
<http://afj.org>

Center for Lobbying in the Public Interest
1612 K Street NW, Ste 505
Washington, DC 20006
(202) 387-5072
<http://clpi.org>

Independent Sector
1602 L Street, NW, Suite 900
Washington, DC 20036
(202) 467-6100
www.independentsector.org

State of Colorado information
State webpage: www.colorado.gov
Secretary of State: www.sos.state.co.us
General Assembly: www.leg.state.co.us

IRS Tax Exempt and Government Agencies
www.irs.gov/charities

OMB Watch
1742 Connecticut Avenue, NW,
Washington, D.C. 20009
(202)234-8494
www.ombwatch.org

National Council of Nonprofits
1200 New York Ave, NW, Suite
700 Washington, DC 20005
(202)962-0322
www.councilofnonprofits.org