

Foundation Funding for Advocacy

San Diego Grantmakers



June 3, 2008

San Diego, CA

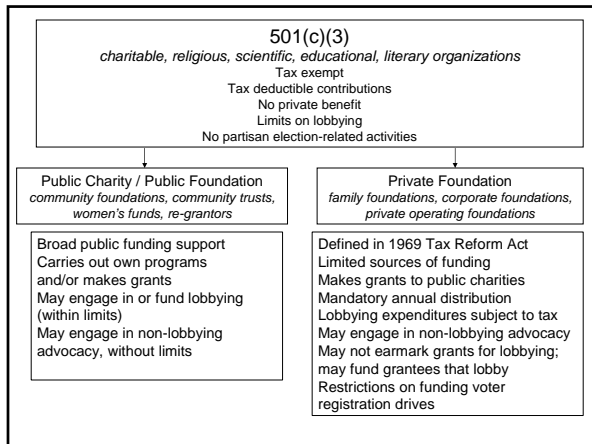
Alliance for Justice

Agenda

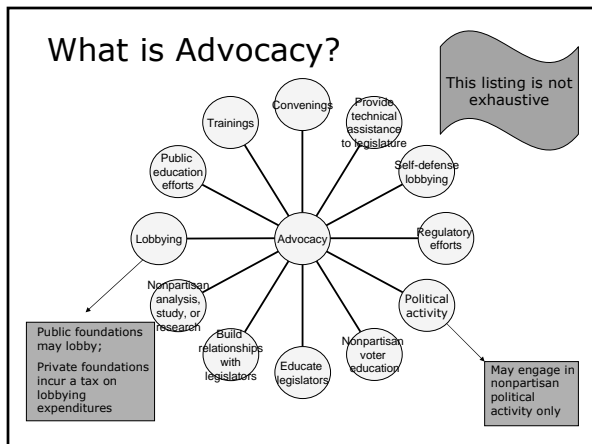
1. Overview of public and private foundations
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 - ◇ Lobbying
 - ◇ Election-related activity
5. Building grantees' advocacy capacity
6. Evaluating advocacy

Tax-Exempt Status

IRC Section	501(c)(3)	501(c)(4)	Political Organizations
Purpose	Educational, religious, scientific, literary, or other charitable activities	Social welfare activities	Activities to influence outcome of elections
Examples	<ul style="list-style-type: none"> •Alliance for Justice (AFJ) •LCV Education Fund 	<ul style="list-style-type: none"> •AFJ Action Campaign •League of Conservation Voters (LCV) 	<ul style="list-style-type: none"> •LCV PAC •EMILY's List •Swift Vets and POWs for Truth •Republican National Committee •Obama 2010
Tax Treatment	<ul style="list-style-type: none"> •Tax-exempt •Tax-deductible contributions •Public charities/private foundations 	<ul style="list-style-type: none"> •Tax-exempt 	<ul style="list-style-type: none"> •Tax-exempt
Lobbying Activities	<ul style="list-style-type: none"> •Limited (public charities) •Taxable expenditure (private foundations) 	<ul style="list-style-type: none"> •Unlimited 	<ul style="list-style-type: none"> •May be taxable
Electoral Activities	<ul style="list-style-type: none"> •No support for or opposition to any candidate for public office 	<ul style="list-style-type: none"> •Secondary activity •Follow federal and state election law 	<ul style="list-style-type: none"> •Follow federal and state election law



- ## Agenda
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Advocacy Fears and Concerns

What stands in the way of funding advocacy? Of engaging in advocacy?



About Advocacy

- Long term
- May be controversial
- Not easily measured
- Vague expectations
- So much is out of your/grantees' hands
- Burdensome legal rules

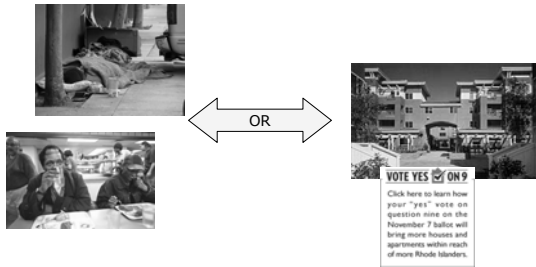
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Why Advocacy?



Why Advocacy? Create Systemic Change



The Rhode Island Foundation, with other community groups, established the HousingWorks RI coalition to educate about affordable housing issues and advocate for solutions that will end the housing crisis. This coalition led the "Vote Yes on 9" campaign.

Why Advocacy? Protect Current Funding



Why Advocacy? If Not You, Then Who?



Why Advocacy? Educate Legislators: You're the Expert

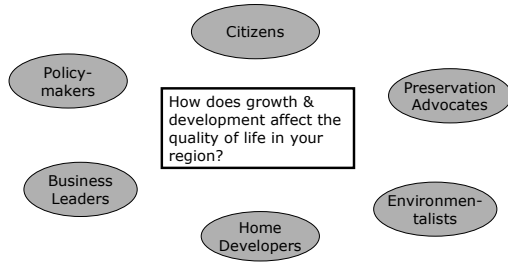


- Don't assume that legislators know about you and what you do
- Information can help them improve the community
- Discuss broad social, economic and other problems
- Foundation can't express a view on a specific legislative proposal

Why Advocacy? Use Foundation's Influence



Why Advocacy? Foster Discussion



Berks County Community Foundation

Why Advocacy? Jointly Funded Projects

- Leveraging can be a key strategy
- Grant may be conditioned on government support
- Communicating with government about an actual or potential jointly-funded project is permissible
 - ◊ Purpose must be the exchanging of information on the subject matter of the programs
 - ◊ Can't try to persuade the government official or employee to take positions on specific legislative issues





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Lobbying

Public foundations may lobby

- Insubstantial part test
- 501(h) expenditure test



Lobbying

Private foundations pay tax on lobbying expenditures

- 20% on foundation; 5% on managers
- 100% on foundation; 50% on managers



Lobbying Limits under 501(h)

1. Calculate organization's **Annual Expenditures**
(for most organizations)
2. Overall lobbying limit

Annual Expenditures	Overall Lobbying Limit
\$500,000 or less	20%
\$500,000 to \$1 million	\$100,000 plus 15% of excess over \$500,000
\$1 million to \$1.5 million	\$175,000 plus 10% of excess over \$1 million
\$1.5 million to \$17 million	\$225,000 plus 5% of excess over \$1.5 million
Over \$17 million	\$1,000,000

3. Grassroots lobbying limit is 25% of overall limit

What is Lobbying?



What is Lobbying?


Direct

- Communication
- With a legislator
- Expressing a view about specific legislation


Grassroots

- Communication
- With the general public
- Expressing a view about specific legislation
- Includes a "call to action"





<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	
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Legislator	
<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	<p>Federal → Members of Congress</p> <p>State → State Legislature</p> <p>Local → City Council Members</p>

Legislator	
<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	

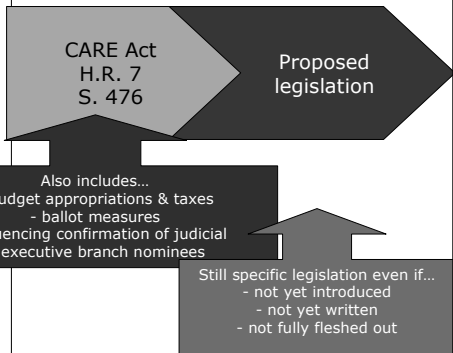
Legislator

<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	<p>“Legislator” does NOT include members of special purpose or administrative (planning commissions, zoning commissions, school boards)</p>  
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Special “Legislator” Rule



<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	 <p>Members of the general public are “legislators”</p>
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Specific Legislation

<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View About Specific Legislation</p>	
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Not Specific Legislation

<p>Direct Lobbying</p> <p>Communication</p> <p>Legislator</p> <p>Expresses a View <u>About Specific Legislation</u></p>	<p>Excludes</p> <ul style="list-style-type: none"> ■ Regulations ■ Litigation ■ Executive orders ■ Enforcing law
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Call to Action

<p><input type="checkbox"/> Telling recipient to contact legislator(s)</p>	<p>Grassroots Lobbying</p> <p>Communication</p> <p>General Public</p> <p>Expresses a View <u>About Specific Legislation</u></p> <p>Call to Action</p>
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Grassroots Lobbying

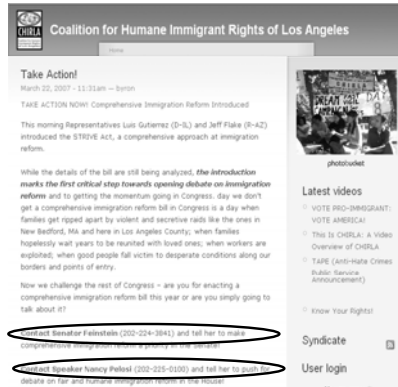
Communication

General Public

Expresses a View About Specific Legislation

Call to Action

<p>Call to Action</p> <ul style="list-style-type: none"> <input type="checkbox"/> Telling to contact legislator(s) <input type="checkbox"/> Providing address, telephone number, and/or other contact information of legislator(s) 	<p>Grassroots Lobbying</p> <p>Communication</p> <p>General Public</p> <p>Expresses a View About Specific Legislation</p> <p>Call to Action</p>
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Grassroots Lobbying

Communication

General Public

Expresses a View About Specific Legislation

Call to Action

Call to Action

- Telling to contact legislator(s)
- Providing address, telephone number, and/or other contact information of legislator(s)
- Providing mechanism to enable communication with legislator(s)
- Identifying legislator(s)

Grassroots Lobbying

Communication

General Public

Expresses a View About Specific Legislation

Call to Action

Grassroots Lobbying

Communication

General Public

Expresses a View About Specific Legislation


Call to Action

NO PAID SICK DAYS FOR RESTAURANT EMPLOYEES.



AN "ENHANCED" DINING EXPERIENCE FOR RESTAURANT CUSTOMERS.

Nearly half of all workers in Maine lack paid sick days. Support your fellow Maine workers and their right to recover from illness without endangering public health or losing a day's pay. Contact your legislator or share your support of LD 1454, the Paid Sick Days Bill. www.maineconsumers.org



SHE'LL BE YOUR SERVER TONIGHT... AND SHE'S PRETTY SURE IT'S CONTAGIOUS.

Nearly half of all workers in Maine lack paid sick days and are forced to work while sick in order to pay the bills. Support LD 1454, the Paid Sick Days Bill. www.maineconsumers.org

Grassroots Lobbying

Not Lobbying ←

Communication

General Public

Expresses a View About Specific Legislation

~~Call to Action~~

Grassroots Lobbying



TELL THE LEGISLATURE:
RAISE THE CIGARETTE TAX.



PROTECT OUR KIDS.
NOT BIG TOBACCO.



Communication

General Public

Expresses a View
About Specific
Legislation

Call to Action

Lobbying Exceptions



Lobbying
Exceptions

Nonpartisan
Analysis, Study, or
Research

Request for
Technical
Assistance

Self Defense

Examinations and
discussions of
broad social,
economic, and
similar problems

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Lobbying Exceptions



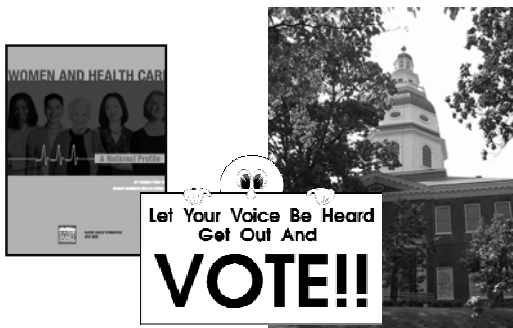
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Lobbying Exceptions



- Lobbying Exceptions**
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You Can Fund Advocacy



Earmarked for Lobbying?

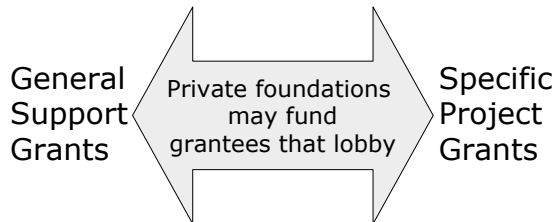


Private foundations

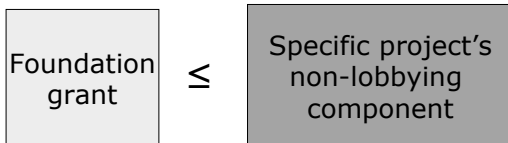


Public charities / foundations

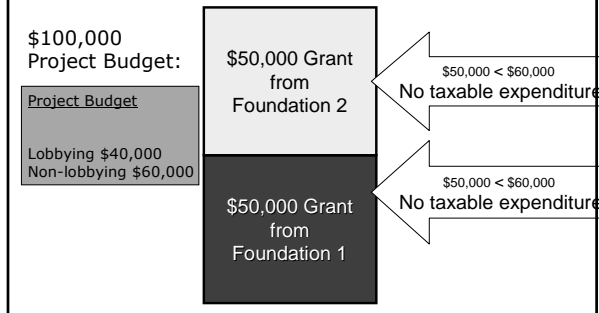
Safe Harbors



Specific Project Grants



Specific Project Grant Example



Grants to Public Charities

Do not include restrictive language in grant agreements



Grant Agreements

Restricting public charities from lobbying is not necessary

State whether specific project grant or general support grant

State that the grant is not earmarked for lobbying

You Can Advocate

Not lobbying

- Leaving off a call to action
- Commenting on rules and regulations
- Litigation
- Asking for an Executive Order
- Asking for enforcement of existing laws

You Can Advocate

Not lobbying: Lobbying exceptions

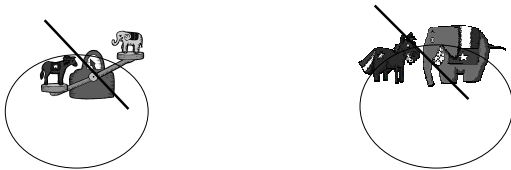
- Nonpartisan analysis, study, or research
- Technical advice or assistance
- Self defense
- Examinations and discussions of broad social, economic, or similar problems

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General Rule for 501(c)(3)s

No support for or opposition to candidates or parties



Activity Must be Nonpartisan

FACTS & CIRCUMSTANCES TEST



Does it look like you are supporting or opposing a candidate for public office?

Election-Related Activity

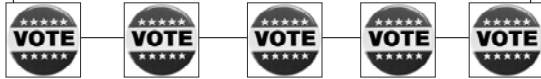
Foundations may fund and engage in non-partisan election-related activities:

- Public education & training about participating in the political process
- Candidate education
- Candidate debates & forums
- Nonpartisan get-out-the-vote drives
- Nonpartisan voter registration drives (with some restrictions)

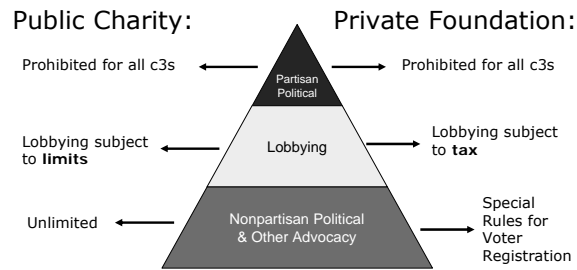
Private Foundation Funding for Voter Registration Activities

Project funded must:

- Be sponsored by a 501(c)(3) organization
- Nonpartisan
- Not confined to one specific election cycle
- Be conducted in 5 or more states
- Be run by a group that meets additional rules related to the diversity of its funding



Advocacy Pyramid



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Capacity Builder



Lunch Outside the Box

A quarterly luncheon series intended to spark conversation and innovative thinking. [Learn more >](#)

The Women's Fund of Central Ohio

Capacity Builder



The Connect Project

The Connect project helps our grantees build relationships with their members of Congress and other policymakers.

How It Works: Connecticut Connection

After meeting with a Local Initiative Funding Partners project team and regional partners, Rep. Nancy Johnson (R-CT) offered to set up a meeting between the project's directors and the local administrator.

[How grantees have made Connect work for them >](#)

Connect Resources

[Resources and Recommended Web Sites](#) where you can learn more about your representatives in Congress.

To ask questions about Connect, send e-mail to: connect@nwjf.org.

Advocacy Capacity



Things to consider:

- Is advocacy part of how you operate?
- Who do you know?
- What skills/knowledge do you have?




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Evaluating Advocacy: Challenges

- Creating reasonable expectations
- Measuring long-term processes in the short-term
- Evaluating advocate's effort when external environment changes
- Measuring relationship building and influence – key activities
- Determining how to attribute credit



Evaluating Advocacy: Principles

- Important for both grantee and grantor to understand:
 - The nature of advocacy work
 - The process
 - What can be accomplished
- Be flexible to adapt expectations to the nature of advocacy
 - General support grants and long-term funding helps
 - Accept that strategies and expectations may change
 - Be creative in measuring progress
- Value capacity building
- Metrics are not sufficient—allow grantee to tell the story



Advocacy Evaluation Tool

- Links capacity and evaluation
- "Breaks down" advocacy into stages
- Highlights flexibility
- Allows grantee to tell its story
- Has two parts
 - Beginning of grant period: describe expectations
 - End of grant period: explain outcomes



Evaluation Tips for Grantmakers

- ✓ Discuss expectations early
- ✓ Value adjustments in work
- ✓ Value incremental progress
- ✓ Value capacity-building
- ✓ Accept creative measures of influence
- ✓ Remember: evaluation takes time, \$\$




Evaluation Tips for Grantees

- ✓ Discuss expectations early
- ✓ Be realistic, honest
- ✓ Show incremental progress
- ✓ Show capacity built
- ✓ Use outcome & progress benchmarks
- ✓ Tell the story



	Non-lobbying Advocacy	Lobbying	Electoral
Fund			
Public	May earmark grants	May earmark grants (within limits)	May fund nonpartisan activities
Private	May earmark grants	* May not earmark grants * Safe harbors for general support & specific project grants	* May fund nonpartisan activities * Special rules apply to earmarked grants for voter registration
Engage in			
Public	Unlimited	Limited	* No support for / opposition to candidates * Nonpartisan activities OK
Private	Unlimited	Taxable expenditure	* No support for / opposition to candidates * Nonpartisan activities OK

Foundation Advocacy



Resources

- www.allianceforjustice.org
 - Publications
 - Fact sheets
 - Upcoming workshops
- <http://allianceforjustice.org/blog/>
 - News clips on advocacy
 - Q & A of the week
 - Updates
- Technical assistance
 - 866-NP-LOBBY
 - advocacy@afj.org
