

BASICS OF NONPROFIT ADVOCACY

Produced by the National Organization for Rare Disorders (NORD®)

The information contained in this document is provided for informational purposes only and should not be construed as legal advice.

The IRS recognizes a variety of tax-exempt organizations, like 501(c)(3), 501(c)(4), Political Action Committees (PACs), Super PACs, and more. Here's a list of the types of tax-exemptions, and what they mean: bit.ly/exempt-organization-types.

WHAT ABOUT NORD'S ADVOCACY AND POLICY WORK?

NORD is a designated 501(c)(3) nonprofit. Adhering to the standards defined by the IRS, we can engage in legislative and political work on behalf of the rare community as a **nonpartisan** educational entity while receiving tax breaks and other 501(c)(3) nonprofit benefits.

NORD supported the establishment of the Orphan Drug Act of 1983, which was co-sponsored by both Democrats and Republicans.

NORD's origins are rooted in legislative policy and advocacy. Since 1983, we've conducted hundreds of policy campaigns to elevate rare diseases at the federal, state, and regulatory levels.

Learn more about the [IRS Exemption Requirements for 501\(c\)\(3\) Organizations](#).

WHAT ABOUT OUR ORGANIZATION AND WHY ADVOCACY?

NORD member organizations are 501(c)(3) tax-exempt organizations, per our qualifications. They have the same ability to participate in the legislative arena as NORD and engage in nonpartisan educational work.

Advocacy has the potential to increase funding sources, fuel research and drug development, and solve community problems. Even so, some nonprofits are hesitant to engage in policy efforts for a variety of reasons, such as fear of being seen as "partisan" by their membership, confusion around what is allowed for their tax status, and concern around losing their tax status.

It can be confusing to know what types of advocacy activities are permitted for 501(c)(3) nonprofit organizations. While all lobbying is advocacy, not all advocacy is lobbying. For example, 501(c)(3) nonprofits are limited as to the amount of lobbying they can engage in. Political or partisan campaigning is allowed for different types of nonprofit entities like Political Action Committees (PACs) and 501(c)(4) organizations but is strictly prohibited for nonprofits with a 501(c)(3) status designated by the IRS Treasury Department.

DETANGLING THE TYPES OF ADVOCACY

To fully understand what is allowed and what is restricted, it is important to understand the definitions of advocacy, lobbying, and political activity.

Advocacy is "any action that speaks in favor of, recommends, argues for a cause, supports or defends, or pleads on behalf of others. It includes public education, regulatory work, litigation, and work before administrative bodies, lobbying, nonpartisan voter registration, nonpartisan voter education, and more."¹

Example: nonprofits often connect with others who work on similar or complementary issues to better leverage their mission.

This is permitted. All nonprofits are encouraged to advocate for their mission and can engage in nonpartisan voter education.

¹ councilofnonprofits.org/advocacy-vs-lobbying

Lobbying is “communicating with decision-makers (elected officials and staff; voters on ballot measures) about existing or potential legislation and urging a vote for or against. All three components of this definition are required: decision-makers, actual legislation, AND asking for a vote.”² Lobbying refers to the activities a nonprofit does to influence legislation that affects its mission fulfillment.

Example: nonprofits express a view or an opinion on specific legislation and include a call to action.

This is permitted with limits. Lobbying is legal and recommended as long as it is not a “substantial part” of the organization’s activities.³

Political activity is “intervention by any means in any political campaign in favor or against a candidate.”⁴

Example: a nonprofit engages in partisan political campaign activity such as supporting or opposing a candidate for national, state, or local public office.

This is prohibited. A 501(c)(3) nonprofit will lose their tax-exempt status if it engages in political activity or electioneering.⁵

ADDITIONAL RESOURCES

For more information on nonprofit advocacy, check out the following resources:

What is Advocacy? (BoardSource)

BoardSource dives into what is advocacy, the two types of lobbying, and prohibited political activities.

Why Should Your Nonprofit Advocate? (National Council of Nonprofits)

Learn the many ways in which advocacy helps your organization thrive.

What Board Members Need to Know About Advocacy (BoardSource)

Educate your board members on how they can engage in advocacy to promote your organization’s mission.

Working with Legislators: An Advocacy Briefing Guide for Board Members (BoardSource)

This tip sheet will prepare board members for a successful meeting with legislators.

² councilofnonprofits.org/advocacy-vs-lobbying

³ <https://www.irs.gov/charities-non-profits/lobbying>

⁴ boardsource.org/resources/advocacy-lobbying-political-activities

⁵ bit.ly/IRS-resource; bit.ly/losing-tax-exemption