

WHAT NONPROFITS CAN AND CAN'T DO IN AN ELECTION YEAR

As the election season kicks into full gear, United Way of North Carolina wants to ensure that our members are aware of and in compliance with election rules. As a 501 (c) 3 nonprofit organization, the IRS rules provide strict guidance for how your organization may or may not play a role in the election process.

In general your organization may:

- Maintain existing nonpartisan relationships with your elected officials.
- Lobby within the limits defined by the IRS on ballot measures.
- Provide public education using nonpartisan reports, opinion editorials or letters to the editor to get the word out on issues.
- Conduct nonpartisan get-out-the-vote and voter registration drives.
- Host a candidate forum. Make sure all candidates are invited, rules are fair and the audience is not stacked to favor any candidate.
- Educate all candidates on issues of public interest where you have expertise.
- Direct public education about your issue by way of scorecards, Internet communications, and other social media provided messages are issue related and nonpartisan in nature.



But, your organization may not:

- Participate in activities defined as electioneering (see IRS article on reverse for more detailed information.)
- Endorse candidates for public office.
- Use corporate email to pass on information about individual candidates, including emails that may be defamatory or considered humorous.
- Make campaign contributions to candidates.
- Use organizational resources, mailing lists or staff time for candidate election activities with the exception of ballot measures, subject to lobbying limits.
- Increase criticism of an incumbent as election time approaches.
- Publish or communicate anything that explicitly or implicitly favors or opposes a candidate.

Please contact United Way of North Carolina if you have any questions about your role during election season.

Federal Electioneering Rules

Charities are strictly prohibited under Federal Law from engaging in electioneering. Electioneering is participating or intervening in any political campaign on behalf of, or in opposition to, any candidate for public office. Charities cannot endorse any candidates, make donations to their campaigns, engage in fund raising, distribute statements, or become involved in any other activities that may be beneficial to or detrimental to any candidate for public office.

As election season approaches, charities must be aware that engaging in prohibited campaign activity could result in excise taxes imposed on the money spent electioneering; loss of tax-exempt status, and more severe penalties for flagrant violations. Contributions to charities that lose their tax exempt status are not deductible by the donors for federal income tax purposes.

The IRS recognizes that voter education and issue advocacy are important charitable services. Charities are permitted and encouraged to educate the public on genuine issues related to charitable mission. However, electioneering is primarily about the candidate rather than the issue.

Generally permitted activities like voters guides, candidate forums and literature distributions, could be prohibited electioneering. Legitimate issue advocacy could become electioneering if the facts of the case demonstrate bias. However, certain activities by charities, such as contributing money to a political campaign, are clear violations of Federal law.

Article taken from the Pennsylvania Association of Nonprofit Organizations website