



Answers to Common Questions about Nonprofits and Elections

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The NC Center for Nonprofits has been fielding many questions about the types of election-related activities nonprofits can and can't do. Here are some thoughts (and even a few answers!):

What are the basic rules about nonprofits and elections?

Under federal tax law, 501(c)(3) nonprofits can't endorse or oppose candidates or political parties and can't make campaign contributions. Charitable nonprofits may, however, engage in nonpartisan election-related activities like voter registration, get-out-the-vote efforts, and voter education. The IRS's clearest (and most recent) guidance on what nonprofits can and can't do in an election year comes in the form of a [2007 revenue ruling](#) that analyzed 21 typical scenarios of election-related activities by 501(c)(3) organizations.

While 501(c)(3) nonprofits can lose their tax-exempt status if they violate these rules, the reality is that the IRS rarely enforces them. Even though the threat of legal penalties is remote, nonprofits' risk losing the trust of their donors, volunteers, clients, and the public if their activities even create the appearance that they are taking sides in partisan politics. As of this writing, 36.6% of registered voters in North Carolina were Democrats, 29.9% were Republicans, and 33.1% were unaffiliated. In a politically-charged election year, your nonprofit is likely to lose the trust of roughly two-thirds of the people in your community if you appear to be aligned with any particular candidate or political party.

In the abstract, these rules may seem simple, but many nonprofits find that their real-life quandaries about elections don't have obvious solutions.

Can a nonprofit leader personally endorse a candidate?

Certainly. Nonprofit staff, board members, and volunteers don't give up their free speech rights simply because they're associated with a 501(c)(3) organization. As individuals, they can support candidates for office, make campaign contributions, and even run for office. But they need to be certain they don't imply that their *personal* political positions are made on behalf of their organizations. Nonprofits can protect themselves by reminding staff and volunteers not to use the organization's name, email address, office space, or phones when they help with political campaigns. It's also a good practice for nonprofits to avoid mentioning political

candidacies of their staff, board members, volunteers, and donors during organizational events or on their websites.

Can a 501(c)(3) nonprofit take positions on legislative issues during an election year?

Yes, but nonprofits should proceed with caution in the period immediately before an election. Lobbying or influencing legislation (at the federal, state, or local level) is generally legal for 501(c)(3) nonprofits, although there are [limits on how much lobbying charitable organizations can do](#). If a nonprofit is taking a clear stance on a polarizing policy issue right before an election, it should steer clear of mentioning individual politicians by name.

Can nonprofits take positions on ballot measures?

Yes. On ballot measures – which may include local bond referenda, sales tax initiatives, and state constitutional amendments – voters are directly making laws or policy decisions. Since 501(c)(3) nonprofits are allowed to take positions on legislative issues (see the answer to the last question), they can encourage voters to support or oppose ballot measures.

Can a nonprofit let a political campaign use its facilities for a campaign event?

Maybe. The IRS has explained that a 501(c)(3) nonprofit can rent its facilities to candidates for office or political groups as long as it charges its usual fees and would offer the same rental arrangement to others seeking to use the same space – regardless of their political affiliation. However, the IRS guidance warns that nonprofits may be violating the law if they rent their facilities – or their mailing lists – to political candidates when they wouldn't normally make these resources available for rent, or if they spend time customizing their resources to be used by politicians.

Furthermore, nonprofits should think carefully about whether to allow political groups to rent their space. A news story about a partisan event held at a church or another 501(c)(3) organization often creates the perception that the nonprofit is doing something illegal. To be safe and to protect their reputations, many charitable nonprofits have policies in place that don't allow political groups to rent their facilities or mailing lists.

Can a 501(c)(3) nonprofit contribute to a PAC?

No. Because political action committees exist for partisan political purposes, charitable nonprofits can't make direct contributions to them. However, nonprofit leaders can personally contribute to PACs, and trade associations and other types of non-501(c)(3) tax-exempt entities are allowed to establish PACs and coordinate activities with certain political organizations.

Can a 501(c)(3) nonprofit have an affiliated 501(c)(4) organization?

Yes. Unlike 501(c)(3) nonprofits, 501(c)(4) social welfare organizations may make political contributions and support or oppose candidates for office, as long as this political work is not their primary activity (note that there is no clear definition of what "primary activity" means). There is also no limit on how much lobbying a 501(c)(4) organization can do.

Sometimes, a 501(c)(3) organization will create an affiliated 501(c)(4) to support its mission through significant lobbying or political programs. Typically, these [affiliated \(but separate\) organizations](#) share offices, staff, and resources, but have separate boards and finances. If your organization is considering creating this type of affiliate, it's worth checking out [The Connection](#), a publication of Bolder Advocacy (a program of the Alliance for Justice), before getting started.

Can a nonprofit acknowledge an incumbent running for re-election who comes to a fundraising event?

Yes, but be careful. It is common for community leaders, including elected officials, to show up at nonprofit programs and fundraising events. Typically, nonprofits acknowledge officials who participate in these events. If a nonprofit is holding an event in the period leading up to an election, organizational leaders should be careful not to mention officials' candidacies for re-election during this type of acknowledgment. It is also a good practice to keep the acknowledgment short and simple to avoid the appearance of endorsing the official's re-election campaign.

Can a nonprofit participate in an event that is closely tied to one political party?

It depends. In today's polarized political environment, there is not always a clear distinction between certain policy issues and partisan politics. Some events, like the March for Life or the Women's March, are tied to policy agendas that closely align with the platforms of one of the major political parties. It's generally permissible for staff, board members, and volunteers of 501(c)(3) nonprofits to participate in these events.

Often, charitable nonprofits are asked to be co-sponsors or publicly identified supporters of these types of events. If the event isn't explicitly tied to a political party and doesn't expressly endorse specific candidates for office, it is probably legal for a 501(c)(3) nonprofit to do this. However, nonprofits should understand that being publicly affiliated with these events, particularly in an election year, is likely to create the

appearance that they are taking sides in the election. It is often helpful for nonprofits to consider how donors, volunteers, staff, and clients who support candidates or political parties other than those who are (directly or indirectly) tied to the event may perceive their affiliation with the event. This is a challenging consideration for many organizations, and there is no clear right or wrong answer.

What type of voter education can nonprofits do?

Nonprofits can help citizens become active and informed voters in two important ways:

1. They can provide basic, nonpartisan information about the election process. This includes details about the dates and times that polls will be open during Early Voting and on Election Day, where to find [Early Voting sites](#), how voters can [find their polling place and see what is on their ballot](#), and what type of identification is (or is not) required to vote. This type of voter education is particularly important in North Carolina where election laws are constantly changing. In North Carolina, [You Can Vote](#) and [Democracy North Carolina](#) both have user-friendly, nonpartisan resources with the latest information on the election process.
2. They can inform the public about candidates for office by publishing – or sharing – [voter guides](#) that include unedited responses to questionnaires about policy issues from all candidates for an office. Nonprofits also can host – or participate in [candidate forums](#) if all the major candidates for an office are invited to participate and most or all of them show up for the event.

Should nonprofits encourage people to vote?

Absolutely. Nonprofits are among the most trusted institutions in every community of North Carolina. When nonprofits provide nonpartisan information about elections, people listen to them. Furthermore, nonprofits can [empower the people they serve](#) by encouraging them to vote. [Research from Nonprofit VOTE](#) has shown that voter turnout is measurably higher among people who received nonpartisan information about an election from a nonprofit service provider or who registered to vote at the encouragement of a nonprofit.

Nonprofit VOTE has excellent resources on nonpartisan [voter registration](#) and [get-out-the-vote](#) activities for nonprofits. If your nonprofit has never done voter registration, get-out-the-vote, or voter education work, 2020 is a great time to start!