

5F. Lobbying and Political Activity: Playing by the Rules

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Handouts:

1. Evans PowerPoint Slides
2. IRS Schedule C



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Lobbying vs. Political Activity

- Lobbying = issues
- Political (campaign) activity = candidates



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Lobbying Agenda

- Definitions
- Rules on lobbying
- How do we lobby?
- Recordkeeping
- Lobbying registration



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Education vs. Advocacy vs. Lobbying

- Education – providing information
- Advocacy – attempting to persuade
- Lobbying
 - Attempt to influence introduction, enactment, or modification of legislation, referenda and ballot initiatives
 - Some lobbying rules also apply in much broader context

Can CAAs, Other CSBG Network Organizations Lobby?

- Yes!
- Yes!
- Yes!
- Yes!



What Are the Basic Rules on Lobbying?

- Generally, must use non-federal, unrestricted funds for lobbying
- Lobbying cannot be a substantial part of a 501(c)(3) organization's activities
- States and public CAAs – state or local laws/rules may apply to lobbying

Which Lobbying Rules Apply to 501(c)(3) Federal Grantees?

- Internal Revenue Code
- Federal appropriations act restrictions
- OMB Circular A-122 (2 CFR Part 230)
- Individual grant or contract terms
- Federal Anti-Lobbying Act
- Byrd Anti-Lobbying Amendment
- Federal and state lobbying registration rules

Rules for Public Grantees

- Same as previous, except:
 - IRS 501(c)(3) rules don't apply
 - OMB Circular A-87 (2 CFR Part 225), not A-122 (2 CFR Part 230)
- Government entity may have additional rules

Tax Code Lobbying Limitations on 501(c)(3)s

- 501(c)(3) may lobby, but no substantial part of its activities may involve attempting to influence legislation
 - "Substantial" may mean as little as 5% of budget
 - Determination based on the "facts and circumstances"
 - Volunteer lobbying activities are included
- Violations of this rule may result in loss of tax exemption and tax on organization and managers

**Internal Revenue Code:
Expenditure Test**

- 501(c)(3)s may elect to be subject to an expenditure test, rather than vague “substantial part” test
 - Sliding scale of permissible expenditures, up to 5% to 20% of total budget, up to \$1 million
 - Regulations define lobbying subject to test
- Make “501(h) election” by filing IRS Form 5768, available at www.irs.gov

**Dep’t of Defense and Full-Year
Continuing Appropriations Act, 2011**

- No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.
 - None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.
 - 2010 appropriations act language also applies
- P.L. 112-10, Div. B, §§ 1101, 8001, 8013*

**2010 Appropriations Act:
Consolidated Act including HHS**

- Funds may not be used, other than for normal and recognized executive-legislative relationships, for:
 - Publicity or propaganda purposes
 - Preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before Congress or any State legislature
 - Except for presentations to Congress or State legislatures
 - Salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature
- P.L. 111-117, Div. D, Tit. V, § 503*

OMB Circular A-122 on Legislative Lobbying

- Cannot use federal funds to influence introduction, enactment, or modification of federal or state legislation through:
 - Communications with federal or state legislators or their staff
 - Influencing state or local officials to lobby
 - Communications with government officials or employees re signing or vetoing bill
 - Grassroots lobbying
 - Legislative liaison activities

2 CFR Part 230, App. B, ¶ 25.a



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Exceptions to A-122 Legislative Lobbying Rule

- Influencing state legislation to reduce cost, or to avoid impairment of agency's authority to perform, grant
- Any activity specifically authorized by statute to be undertaken with grant funds
- Technical and factual presentation of information to legislators (but this is quite narrow)

2 CFR Part 230, App. B, ¶ 25.b



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OMB A-122 Executive Lobbying Restriction

- No federal funds for "improperly influencing" federal executive branch employee on sponsored agreement or regulatory matter
- "Improperly influence" means attempting to influence on basis other than merits of matter
- "Sponsored agreement" includes all federally funded grants and contracts

2 CFR Part 230, App. B, ¶ 25.d



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OMB A-87 Lobbying Rule

- Costs of membership in organizations substantially engaged in lobbying are unallowable
- Same prohibition on grant-related lobbying and executive lobbying restriction as in A-122
- No other provisions re: lobbying

2 CFR Part 225, App. B, ¶24

HHS CSBG Terms and Conditions

- CSBG funds may not be used by the grantee or any sub-grantee to:
 - Support lobbying activities to influence proposed or pending Federal or State legislation or appropriations.
- This prohibition is related to the use of Federal grant funds and is not intended to affect an individual's right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources.

So How Do We Lobby?

- Set aside unrestricted non-federal funds to pay or reimburse lobbying costs, including appropriate share of both direct and indirect salary and expenses
 - Unrestricted funds do not include required matching funds or program income

Lobbying with Unrestricted Non-Federal Funds

- No restrictions on type of lobbying
- Amount subject to IRS limitation:
 - Must not be a substantial part of organization's activities; or
 - 501(h) election dollar limits

So How Do We Lobby?

- Use board members and volunteers
- Employees conduct lobbying on own time without use of CAA resources
- Keep records of lobbying activities, costs, and either source of funding or fact that no funding was used

Lobbying by Employees

- Employees may engage in any type of lobbying on their own time without use of federally-funded facilities
 - But can't ask non-exempt employees to volunteer or even accept volunteer time of such employees if similar to paid duties
 - If employee engages in a lobbying activity during work time that is not permissible with federal funds, agency should reimburse federal funds for time, expenses out of non-federal funds

Lobbying by Board Members

- Non-employee board members may conduct any type of lobbying, so long as federal funds are not used to support effort
- If board member lobbies on behalf of CAA, it is counted toward IRS lobbying limitation, unless CAA makes section 501(h) election

What about Association Lobbying?

- State and nat'l associations that lobby should use unrestricted funds to do so and report lobbying on Form 990
- If CAAs pay dues to lobbying organizations, and the associations use those dues to lobby, the dues should be paid out of unrestricted funds
 - Some state associations bill separately for lobbying activities
 - Some associations use non-dues unrestricted funds to lobby

What about Association Lobbying?

- 501(c)(4)s that engage in contacts with federal legislative or executive officials re: federal legislation, federal regulations, or administration or execution of a federal program or policy are not eligible for federal grants or loans
2 U.S.C. § 1611

Non-Lobbying Advocacy with Federal Funds

- Education re issues and programs, not specific legislation
- Advocacy re administrative regulations
- Advocacy re other non-legislative issues, such as accessible transportation or opening grocery stores in neighborhood

General Requirements for Use of Federal Funds

- Remember that costs may not be charged to a federal grant unless they are also, for example:
 - Within grant purposes, not prohibited by grant terms
 - Necessary and reasonable
 - Allocable
 - Treated consistently with costs for other programs
 - Documented
 - In accordance with generally accepted accounting principles

2 CFR Part 225 (OMB A-87) App. A, and 2 CFR Part 230 (OMB A-122) App. A

Recordkeeping

- Keep records of lobbying expenditures to show non-federal funding source
- If no costs incurred, be able to back that up (e.g. records reflect activity by volunteer or time card shows done on lunch hour)
- Keep records (letters, etc.) to establish that activity falls within a lobbying exception

Recordkeeping

- Records need to be kept of expenses as well as employee time (logs, time cards or activity reports)
- May not include unallowable lobbying costs in indirect costs, but must disclose separately as direct charges in indirect cost rate proposal and allocate indirect costs to those direct charges

Recordkeeping – 501(c)(3)s

- Keep records to answer questions on IRS Form 990 and on Form 990 Schedule C

Part IV Checklist of Required Schedules

	Yes	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	

Recordkeeping – Form 990 Schedule C

Part I-4 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 1j)?			
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 1j			
2a Did the activities in lines 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?			

Lobbying Registration

- Check if you or your CAA must register as lobbyist under the federal Lobbying Disclosure Act (2 USC 1601 et. seq.)
 - For general info on who must register, see NPAAction article: <http://www.npaction.org/article/articleview/620/1/248>
- Check if your state requires lobbyists to register and report:
 - Alliance for Justice info re: state lobbying regulators: <http://www.afj.org/for-nonprofits-foundations/state-law-resources.html>

Political Activity Agenda

- Federal election law
- 501(c)(3) rules
- Federal grant program rules
 - CSBG
 - Head Start
 - Corporation for National Service
- Hatch Act

Organization vs. Individual Employee

- **Organizations**, such as CAAs, Head Start grantees, and other 501(c)(3)s, face strict requirements as to their "political activities"
- **Individual employees**, on their own time and off work premises, enjoy most of the same rights to participate in political process as other citizens

Organizations – Election Law

- Citizens United, 130 S. Ct. 876 (2010)
 - 2010 U.S. Supreme Court decision
 - Changed federal election law
 - Struck down 2 U.S.C. § 441b which prohibited corporations from making “independent expenditures”
 - Corporations (nonprofit and for-profit) still may not:
 - Contribute to candidates
 - Make communications coordinated with campaigns

Organizations – Election Law

- Citizens United
 - No impact on 501(c)(3)s – still cannot:
 - Contribute to a political campaign
 - Endorse or oppose a candidate
 - Make independent or coordinated expenditures
 - Impact on 501(c)(4)s and 501(c)(6)s
 - May now make “independent expenditures” and “electioneering communications”
 - Must still comply with federal tax rules
 - Primary purpose test
 - May trigger additional disclaimer/disclosure requirements
 - “Paid by...” disclaimers
 - FEC disclosure statements

501(c)(3) Rules

- 501(c)(3)s are prohibited by tax code from engaging in political activity in support of or in opposition to candidates for public office

26 U.S.C. § 501(c)(3)
- Penalties for violation of ban on campaign activity by 501(c)(3)s:
 - Revocation of tax-exempt status
 - Two-tier tax by IRS (26 U.S.C. 4955)

IRS Revenue Ruling 2007-41

- Helpful analysis of application of 501(c)(3) political campaign ban to 21 situations:
 - Voter education, voter registration, GOTV
 - Individual activity by organization leaders
 - Candidate appearances
 - Issue advocacy vs. political campaign intervention
 - Business activity
 - Web sites
- <http://www.irs.gov/pub/irs-tege/rr2007-41.pdf>

IRS Rules on Individual Activity By Organization Leaders

- Permissible, but not on organization time, with its assets, using its name, during its events, or in its publications or website
 - Assign work schedule to all employees
- Best to clearly indicate it is personal view

IRS Rules on Candidate Appearances

- May invite political candidates to speak at events, but caution is urged
 - Invite all candidates in writing
 - Can appear together or at separate times, but equal opportunity must be given to all
 - No support or opposition by organization either directly or indirectly
 - No political fundraising at event

Candidate Appearances

- May also invite individuals in their individual or official capacity who are also candidates, if individual has some legitimate reason to speak at organization
 - But don't invite just at election time
 - Don't mention campaign and instruct individual not to mention either
 - No political fundraising

IRS: Candidate Forum Best Practices

- Conduct in a neutral, nonpartisan manner
- Invite all candidates
- Independent panel, not 501(c)(3), should prepare questions
- Topics must cover broad range of topics
- No explicit or implicit approval or disapproval of candidates by moderator

Rules on Political Activity by Federal Grantees

- Federal funds may not be used to:
 - Influence the outcome of elections, referenda, or initiatives, or
 - Contribute to political parties, campaigns or PACs

OMB Circular A-122, Att. B, par. 25 (2 CFR Part 230, App. B)

CSBG Act

- CAA programs receiving CSBG funds may not be carried on in a manner involving use of program funds, provision of services, or employment or assignment of personnel,
- In a manner supporting or resulting in identification of such programs with:

CSBG Act

- Any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office
- Any activity to provide voters with transportation to the polls or similar assistance
- Any voter registration activity

42 U.S.C. § 9918(b)

CSBG Act – Voter Registration

- HHS Office of Community Services (OCS) issued Info. Memo. 81 in August 2004
 - www.acf.hhs.gov/programs/ocs/csbg/guidance/im81.pdf
- CSBG \$ can't be used for voter registration activities or other political activities, including transportation to the polls
- CAA or other entity receiving CSBG \$ can't conduct CSBG-funded programs or provide CSBG-funded services in manner that could result in identification of such programs or services with prohibited activities

Head Start Act

- Head Start-funded program and any individual employed by, or assigned to or in, such program (during time individual works for Head Start program), may not engage in:
 - Any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; or
 - Any activity to provide voters or prospective voters with transportation to polls or similar assistance

Head Start Act – Voter Registration

- Head Start funds may not be used to conduct voter registration activities
 - BUT, Head Start facilities may be used during hours of operation by any nonpartisan organization to increase number of eligible citizens who register to vote in elections for Federal office
- 42 U.S.C. § 9851

Corporation for National Service

- In Domestic Volunteer Service Act (DVSA)
- Applies to Foster Grandparents, Retired Senior Volunteer Program (RSVP), Senior Companion Program, VISTA, National Civilian Community Corps
- Same restrictions as CSBG, EXCEPT:
 - Voter registration applications and non-partisan voter registration information may be made available to the public on DVSA program premises

42 U.S.C. § 5043(b)(1)(C)

Corporation for National Service – Voter Registration

- In making voter registration information available, individuals affiliated with or employed by such programs shall not:
 - Indicate a preference with respect to any candidate, political party, or election issue; OR
 - Seek to influence the political or party affiliation, or voting decision, of any individual

42 U.S.C. § 5043(b)(2)

Can States Require CAAs to Do Voter Registration?

- National Voter Registration Act (NVRA) requires states to designate all state offices that provide public assistance as mandatory voter registration agencies
 - "Public assistance" = Food Stamps, Medicaid, WIC, and AFDC
 - "State offices" includes state and local gov't agencies, but not federal or nongovernmental offices

- Disabled in Action v. Hammons, 202 F.3d 110, 124-29 (2nd Cir. 2000)

Can States Require CAAs to Do Voter Registration?

- States must also designate some federal and nongovernmental offices as discretionary voter registration agencies, but can only do so with agreement of those offices

42 U.S.C. § 1973gg-5(a)(2)(A)

Individuals – Election Law

- Federal election laws impose additional rules on campaign activities of individuals
- Some state laws do as well

Hatch Act – How Does It Apply?

- Hatch Act is not imposed generally on nonprofits, even if they are federally-funded
- BUT, both the CSBG and Head Start Acts impose Hatch Act restrictions on employees (not unpaid board members) who work in connection with any activity funded by CSBG or Head Start

What Does Hatch Act Permit?

- Being a candidate for public office in a nonpartisan election
- Voting as one chooses and expressing opinions on political subjects
- Engaging in any other political activity not specifically prohibited by Hatch Act

5 U.S.C. § 1501 - 1508

What Does Hatch Act Prohibit?

- Being a candidate for public office in a partisan election
 - CAA may employ those currently serving as elected officials so long as they are not candidates (e.g. seeking re-election)
- Using official authority or influence to interfere with or affect results of an election or nomination for office
- Directly or indirectly coercing, attempting to coerce, commanding or advising a person covered by Hatch Act to make a political contribution

What Is a "Partisan Election"?

- State or local law designates it as such
- At least one candidate is nominated, represents, is supported by, or associates himself with party whose Presidential candidate received votes in last election
- Candidate is identified on ballot with party

Which CAA or Head Start Employees are "Hatched"?

- Any person who:
 - Spends more than half of her total work time employed by CAA or Head Start grantee; OR
 - Receives more than half of her total wages from organization; **AND**
 - Works in connection with activities financed by CSBG or Head Start funds
 - But may be broader – all federally-funded activities

"Hatched" Employees

- 2010 Office of Special Counsel (OSC) advisory opinion (AD-10-0158)
 - Employee who did not have any job duties relating to CSBG, but was paid from and worked with other federal grants in a facility where CSBG was used to pay a portion of the rent and overhead costs was found not to be covered by the Hatch Act
- 2006 OSC advisory opinion (AD-06-xxxx)
 - Employee's mere use of federal grant-funded equipment not close enough connection

Scope of Hatch Act Restrictions

- If employee is covered by Hatch Act, restrictions apply regardless of whether activity is conducted inside or outside the workplace or work time
- Hatch Act restrictions apply even when employee is on unpaid leave of absence or paid terminal leave

Solicitation of Political Contributions

- "Hatched" CAA employees may not coerce, command or advise another covered employee to make political contribution
 - Merely "asking" for a contribution is considered indirect form of coercion, thus prohibited, if supervisor asks subordinate
 - Includes \$ for candidates, PACs, and political parties

Permissible Political Activities Under Hatch Act

- If conducted on own time and outside workplace, "Hatched" employee may:
 - Be a candidate for office in nonpartisan election
 - Continue to serve in office previously elected to (nonpartisan or partisan)
 - Run for and hold office in political party
 - Participate in political campaigns, party organization, make and solicit contributions

Penalty for Violating Hatch Act

- If offense is serious enough to warrant dismissal from employment, employer must either:
 - Dismiss employee; or
 - Forfeit its federal funding in an amount equal to two years of employee's salary
- Whether employee knowingly violates statute, especially after warning from OSC or funding source, is factor in determining seriousness of offense

Hatch Act Enforcement

- Hatch Act has been enforced against 2 CAAs in recent years:
 - Head Start director ran for county commissioner and, despite warnings, continued candidacy
 - Community outreach coordinator ran for county legislator and, despite warnings, continued candidacy

**Hatch Act:
Office of Special Counsel**

- Upon request, OSC will issue advisory opinions on individual questions by phone, fax, or e-mail
 - hatchact@osc.gov
 - 800-854-2824 (phone)
 - 202-254-3700 (fax)
 - Hatch Act Unit, U.S. Office of Special Counsel, 1730 M Street, N.W., Suite 218, Washington, D.C 20036-4505

**Lobbying and Political
Activity Resources**

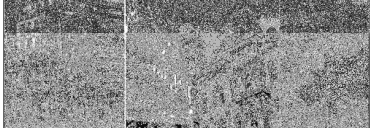
- www.capl原因.org: articles, model policies on political activity and lobbying
- www.npaction.org: an online project of OMB Watch that supports capacity building for nonprofit advocacy
- <http://www.afj.org/for-nonprofits-foundations/>: Alliance for Justice online resources and user-friendly print publications on lobbying

**Lobbying and Political
Activity Resources**

- IRS: see "Political and Lobbying Activities" webpage
<http://www.irs.gov/charities/charitable/article/0,,id=120703,00.html>
- Office of Special Counsel (see especially info for state and local employees):
 - Hatch Act webpage www.osc.gov/hatchact.htm
 - Reading Room - Hatch Act resources: http://www.osc.gov/RR_HatchAct.htm

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**NATIONAL TRAINING
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JUNE 4 - 6, 2012

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Political Campaign and Lobbying Activities

2009

Open to Public Inspection

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
----------------------	--------------------------------

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . . ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

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%;"> <tr> <td style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</td> <td style="width: 50%;">The lobbying nontaxable amount is:</td> </tr> <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> </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.														
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.														
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												

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					

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?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

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