



Lobbying Policy and Guidelines

BSF's mission clearly requires that we advocate on behalf of our community. Further, BSF's 501(c)(3) tax exempt status is an essential element in accomplishing its mission.

The Internal Revenue Code Section 501(c)(3) states that BSF's continued tax-exempt status requires that:

"... no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)),"

To help clarify "...substantial part of the activities...", the IRS has this to say in [summarizing the law](#):

"A 501(c)(3) organization may engage in some lobbying, but too much lobbying activity risks loss of tax-exempt status."

To further clarify, **lobbying** is defined as 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.

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. It does not include all three requirements for lobbying, as described above. So, while all lobbying is advocacy, not all advocacy is lobbying.

The IRS offers a simple test to determine if an organization's "lobbying" activities have become "substantial" as follows:



If the amount of exempt purpose expenditures is:	Lobbying nontaxable amount is:
≤ \$500,000	20% of the exempt purpose expenditures
>\$500,00 but ≤ \$1,000,000	\$100,000 plus 15% of the excess of exempt purpose expenditures over \$500,000
> \$1,000,000 but ≤ \$1,500,000	\$175,000 plus 10% of the excess of exempt purpose expenditures over \$1,000,000
>\$1,500,000	\$225,000 plus 5% of the exempt purpose expenditures over \$1,500,000

Source: [IRS Website](#)

For BSF, with a total budget between \$1 Million and \$1.5 Million, we would have to spend more than \$175,000 on lobbying activities to run afoul of the law and jeopardize our 501(c)3 status. It is not expected that BSF's lobbying activities would ever approach this limit.

However, if our expenditures on lobbying ever begin to approach this limit, BSF should immediately consult with our auditors and consider filing IRS [Form 5768 \(Election/Revocation of Election by an Eligible Section 501\(c\)\(3\) Organization to Make Expenditures to Influence Legislation\)](#). Filing this form allows BSF to apply the table above rather than being subject to the subjective judgement of the IRS to decide if our expenditures were "substantial" or not.

Furthermore, the 501(c)(3) designation prohibits BSF from making campaign donations or other campaign specific activities. Voter registration and voter education is permitted.

In general, BSF should advocate vigorously on behalf of our patient community but be vigilant to ensure that any lobbying activities as defined above do not exceed the level of expenditures also described above, and that BSF does not contribute to any political campaigns on behalf of any candidate for elective public office.

The Executive Director and Treasurer are each charged with ensuring that BSF's 501(c)(3) status is not challenged as they create their annual operating and



resource allocation plans. The Treasurer must ensure that all expenses that meet the 3-part definition of “lobbying”, if any, are identified and periodically reported to the Executive Director and Executive Committee and appropriate remedial actions are taken to retain BSF’s tax-exempt status.