

## **Election Year Activities and the Prohibition on Political Campaign Intervention for Section 501(c)(3) Organizations**

*Note: the full text of this fact sheet, including 21 illustrative examples, is available on the IRS website at: <http://www.irs.gov/newsroom/article/0,,id=154712,00.html>*

### **The Prohibition on Political Campaign Intervention**

Under the Internal Revenue Code, all section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. The prohibition applies to all campaigns including campaigns at the federal, state and local level. Violation of this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes. Those section 501(c)(3) organizations that are private foundations are subject to additional restrictions that are not described in this fact sheet.

### **What is Political Campaign Intervention?**

Political campaign intervention includes any and all activities that favor or oppose one or more candidates for public office. The prohibition extends beyond candidate endorsements. Contributions to political campaign funds or public statements of position (verbal or written) made by or on behalf of an organization in favor of or in opposition to any candidate for public office clearly violate the prohibition on political campaign intervention. Distributing statements prepared by others that favor or oppose any candidate for public office will also violate the prohibition. Allowing a candidate to use an organization's assets or facilities will also violate the prohibition if other candidates are not given an equivalent opportunity. Although section 501(c)(3) organizations may engage in some activities to promote voter registration, encourage voter participation, and provide voter education, they will violate the prohibition on political campaign intervention if they engage in an activity that favors or opposes any candidate for public office. Certain activities will require an evaluation of all the facts and circumstances to determine whether they result in political campaign intervention.

### **Voter Education, Voter Registration and Get Out the Vote Drives**

Section 501(c)(3) organizations are permitted to conduct certain voter education activities (including the presentation of public forums and the publication of voter education guides) if they are carried out in a non-partisan manner. In addition, section 501(c)(3) organizations may encourage people to participate in the electoral process through voter registration and get-out-the-vote drives, conducted in a non-partisan manner. On the other hand, voter education or registration activities conducted in a biased manner that favors (or opposes) one or more candidates is prohibited.

### **Individual Activity by Organization Leaders**

The political campaign intervention prohibition is not intended to restrict free expression on political matters by leaders of organizations speaking for themselves, as individuals. Nor are leaders prohibited from speaking about important issues of public policy. However, for their organizations to remain tax exempt under section 501(c)(3), leaders cannot make partisan

comments in official organization publications or at official functions of the organization. To avoid potential attribution of their comments outside of organization functions and publications, organization leaders who speak or write in their individual capacity are encouraged to clearly indicate that their comments are personal and not intended to represent the views of the organization.

### **Candidate Appearances**

Depending on the facts and circumstances, an organization may invite political candidates to speak at its events without jeopardizing its tax-exempt status. Political candidates may be invited in their capacity as candidates, or in their individual capacity (not as a candidate). Candidates may also appear without an invitation at organization events that are open to the public.

A candidate may seek to reassure the organization that it is permissible for the organization to do certain things in connection with the candidate's appearance. An organization in this position should keep in mind that the candidate may not be familiar with the organization's tax-exempt status and that the candidate may be focused on compliance with the election laws that apply to the candidate's campaign rather than the federal tax law that applies to the organization. The organization will be in the best position to ensure compliance with the prohibition on political campaign intervention if it makes its own independent conclusion about its compliance with federal tax law.

### **Speaking as a Candidate**

When a candidate is invited to speak at an organization event as a political candidate, the organization must take steps to ensure that:

- It provides an equal opportunity to political candidates seeking the same office;
- It does not indicate any support for or opposition to the candidate (this should be stated explicitly when the candidate is introduced and in communications concerning the candidate's attendance); and
- No political fundraising occurs.

### **Equal Opportunity to Participate**

In determining whether candidates are given an equal opportunity to participate, an organization should consider the nature of the event to which each candidate is invited, in addition to the manner of presentation.

For example, an organization that invites one candidate to speak at its well attended annual banquet, but invites the opposing candidate to speak at a sparsely attended general meeting, will likely have violated the political campaign prohibition, even if the manner of presentation for both speakers is otherwise neutral.

### **Public Forums**

Sometimes an organization invites several candidates for the same office to speak at a public forum. A public forum involving several candidates for public office may qualify as an exempt educational activity. However, if the forum is operated to show a bias for or against any candidate, then the forum would be political campaign intervention.

When an organization invites several candidates for the same office to speak at a forum, it should consider the following factors:

- Whether questions for the candidate are prepared and presented by an independent nonpartisan panel,
- Whether the topics discussed by the candidates cover a broad range of issues that the candidates would address if elected to the office sought and are of interest to the public,
- Whether each candidate is given an equal opportunity to present his or her view on the issues discussed,
- Whether the candidates are asked to agree or disagree with positions, agendas, platforms or statements of the organization, and
- Whether a moderator comments on the questions or otherwise implies approval or disapproval of the candidates.

### **Speaking or Participating as a Non-Candidate**

Candidates may also appear or speak at organization events in a non-candidate capacity. For instance, a political candidate may be a public figure who is invited to speak because he or she: (a) currently holds, or formerly held, public office; (b) is considered an expert in a non-political field; or (c) is a celebrity or has led a distinguished military, legal, or public service career. A candidate may choose to attend an event that is open to the public, such as a lecture, concert or worship service. The candidate's presence at an organization-sponsored event does not, by itself, cause the organization to be engaged in political campaign intervention. However, if the candidate is publicly recognized by the organization, or if the candidate is invited to speak, the organization must ensure that:

- The individual is chosen to speak solely for reasons other than candidacy for public office;
- The individual speaks only in a non-candidate capacity;
- Neither the individual nor any representative of the organization makes any mention of his or her candidacy or the election;
- No campaign activity occurs in connection with the candidate's attendance; and
- The organization maintains a nonpartisan atmosphere on the premises or at the event where the candidate is present.

In addition, the organization should clearly indicate the capacity in which the candidate is appearing and should not mention the individual's political candidacy or the upcoming election in the communications announcing the candidate's attendance at the event.

## **Issue Advocacy vs. Political Campaign Intervention**

Under federal tax law, section 501(c)(3) organizations may take positions on public policy issues, including issues that divide candidates in an election for public office. However, section 501(c)(3) organizations must avoid any issue advocacy that functions as political campaign intervention. Even if a statement does not expressly tell an audience to vote for or against a specific candidate, an organization delivering the statement is at risk of violating the political campaign intervention prohibition if there is any message favoring or opposing a candidate. A statement can identify a candidate not only by stating the candidate's name but also by other means such as showing a picture of the candidate, referring to political party affiliations, or other distinctive features of a candidate's platform or biography. All the facts and circumstances need to be considered to determine if the advocacy is political campaign intervention.

Key factors in determining whether a communication results in political campaign intervention include the following:

- Whether the statement identifies one or more candidates for a given public office;
- Whether the statement expresses approval or disapproval for one or more candidates' positions and/or actions;
- Whether the statement is delivered close in time to the election;
- Whether the statement makes reference to voting or an election;
- Whether the issue addressed in the communication has been raised as an issue distinguishing candidates for a given office;
- Whether the communication is part of an ongoing series of communications by the organization on the same issue that are made independent of the timing of any election; and
- Whether the timing of the communication and identification of the candidate are related to a non-electoral event such as a scheduled vote on specific legislation by an officeholder who also happens to be a candidate for public office.

A communication is particularly at risk of political campaign intervention when it makes reference to candidates or voting in a specific upcoming election. Nevertheless, the communication must still be considered in context before arriving at any conclusions.

## **Voter Guides**

Voter guides are usually pamphlets or other short documents, often in chart form, intended to help voters compare candidates' positions on a set of issues. Preparing or distributing a voter guide may violate the prohibition against political campaign intervention if the guide focuses on a single issue or narrow range of issues, or if the questions are structured to reflect bias. Although any document that identifies candidates and their positions close in time to an election has the potential to result in political campaign intervention, preparation or distribution of voter guides, because of their nature, present a particular risk for non-compliance. The following factors are key considerations in whether a voter guide can be distributed to educate voters without violating the prohibition on political campaign intervention.

- Whether the questions and any other description of the issues are clear and unbiased in both their structure and content.
- Whether the questions posed provided to the candidates are identical to those included in the voter guide.
- Whether the candidates are given a reasonable amount of time to respond to the questions. If the candidate is given limited choices for an answer to a question (e.g. yes/no, support/oppose), whether the candidate is also given a reasonable opportunity to explain his position in his own words and that explanation is included in the voter guide.
- Whether the answers in the voter guide are those provided by the candidates in response to the questions, including whether the candidate's answers are unedited, and whether they appear in close proximity to the question to which they respond.
- Whether all candidates for a particular office are covered.
- Whether the number of questions, and the subjects covered, are sufficient to encompass most major issues of interest to the entire electorate.

In assessing whether a voter guide is unbiased and nonpartisan, every aspect of the voter guide's format, content and distribution must be taken into consideration. If the organization's position on one or more issues is set out in the guide so that it can be compared to the candidates' positions, the guide will constitute political campaign intervention.

An organization may be asked to distribute voter guides prepared by a third party. Each organization that distributes one or more voter guides is responsible for its own actions. If the voter guide is biased, distribution of the voter guide is an act of political campaign intervention. Therefore, an organization should reach its own independent conclusion about whether a voter guide it prepared or that was prepared by a third party covers a broad scope of issues and uses neutral form and content.

### **Business Activity**

The question of whether an activity constitutes participation or intervention in a political campaign may also arise in the context of a business activity of the organization, such as selling or renting of mailing lists, the leasing of office space, or the acceptance of paid political advertising. In this context, some of the factors to be considered in determining whether the organization has engaged in political campaign intervention include the following:

- Whether the good, service or facility is available to candidates in the same election on an equal basis,
- Whether the good, service, or facility is available only to candidates and not to the general public,
- Whether the fees charged to candidates are at the organization's customary and usual rates, and
- Whether the activity is an ongoing activity of the organization or whether it is conducted only for a particular candidate.

## **Web Sites**

The Internet has become a widely used communications tool. Section 501(c)(3) organizations use their own web sites to disseminate statements and information. They also routinely link their web sites to web sites maintained by other organizations as a way of providing additional information that the organizations believe is useful or relevant to the public.

A web site is a form of communication. If an organization posts something on its web site that favors or opposes a candidate for public office, the organization will be treated the same as if it distributed printed material, oral statements or broadcasts that favored or opposed a candidate.

An organization has control over whether it establishes a link to another site. When an organization establishes a link to another web site, the organization is responsible for the consequences of establishing and maintaining that link, even if the organization does not have control over the content of the linked site. Because the linked content may change over time, an organization may reduce the risk of political campaign intervention by monitoring the linked content and adjusting the links accordingly.

Links to candidate-related material, by themselves, do not necessarily constitute political campaign intervention. The IRS will take all the facts and circumstances into account when assessing whether a link produces that result. The facts and circumstances to be considered include, but are not limited to, the context for the link on the organization's web site, whether all candidates are represented, any exempt purpose served by offering the link, and the directness of the links between the organization's web site and the web page that contains material favoring or opposing a candidate for public office.

## **Effect of Conducting Multiple Activities**

Although each of the activities described in this fact sheet is described separately, an organization might combine one or more of the types of activity described above. For example, an organization leader may speak about an issue at an event where a candidate appears, or a voter guide might be distributed at a candidate forum. Where there is a combination of activities, the interaction among them may affect whether or not the organization is engaged in political campaign intervention.