



APWA Chapter Leader Advocacy 101 Lobbying/Advocacy Activities

In light of the fact that one of APWA's strategic goals is to "Be the voice of public works to government leaders and the media," APWA encourages all chapters and members to become engaged in advocacy activities that impact public works and infrastructure in the U.S.

Many Chapters have already begun to actively engage in local, state and federal advocacy activities, others are just getting started. Whatever stage you are at, we wanted to make sure that you were familiar with IRS Code with respect to lobbying activities.

As a non-profit, APWA and all of its chapters fall under the IRS Code 501 (c)(3). This allows APWA certain tax-exempt benefits. In order to maintain the tax-exempt status, there are specific IRS reporting rules that APWA must follow with respect to lobbying. For example, while 501 (c)(3) associations **ARE** permitted to engage in lobbying activities, they can only lobby an "insubstantial" amount. The IRS has not defined what an "insubstantial" amount actually means. However, they have provided specific elections based on the group's budget. As you probably already know, each Chapter uses the APWA Federal Employer Identification Number (FEIN) and therefore files one tax return on behalf of APWA and the Chapters. Therefore, the IRS considers chapters' lobbying activities as part of the whole. Based on the APWA and Chapter budgets, APWA is allowed to spend up to \$1 Million per year on lobbying activities. Currently we

do not come close to that expenditure but as our chapter activities increase, we could. Keep in mind that this includes salaries of APWA's government affairs staff, rent, hired lobbyists, chapter administrative staff, and other related overhead.

Therefore, it is very important that both the APWA Government Affairs and Finance Departments are made aware of your lobbying efforts so that we can keep an accurate tally of our spending and accurately report them to the IRS each year when we file the Form 990.

SO WHAT IS LOBBYING?

Advocacy/Lobbying Activities:

Lobbying is defined as attempts to influence legislation at the local, state or federal level. Expenses related to any of the following activities must be reported to the IRS when APWA submits its annual filings:

- Direct lobbying - Attempts to influence:
 - A member or employee of a legislative body;
 - Any government official or employee who may participate in the formulation of legislation;
 - The public in a referendum, initiative or constitutional amendment.

- Grassroots lobbying
 - Attempts to influence the general public through communications that:
 - Refer to specific legislation;
 - Reflect a point of view on the legislation;
 - Include a "call to action".

Non-Advocacy/Lobbying Activities: Activities that **do not** count towards IRS grassroots or lobbying reporting:

- Making available the results of nonpartisan analysis, study or research;
- Providing technical advice or assistance to a governmental body or to a committee in response to a written request;
- Communications between the chapter and its members with respect to legislation or proposed legislation of direct interest to the chapter and its members.

The IRS does not consider the above activities to be advocacy/lobbying activities, therefore the related expenses do not need to be tracked.

Political Donations:

Permitted Donations:

Donations to support a **ballot proposition**. If considering a donation, please check with the APWA Finance Department prior to making a contribution. In addition to federal reporting requirements, each state may have additional reporting requirements. Please check your state website, typically the Secretary of State or Department of Revenue regulations, for your state specific reporting requirements. We can assist you if you need help. Please check with both the Government Affairs and Finance Departments before making any donation so that we can help you ensure that we are in compliance with your state and the federal government.

Prohibited Donations:

Any donation that supports political campaign activities in support of or opposition to **specific candidates**.

Please track all related expenses for direct and grassroots lobbying (i.e. paid lobbyist, lobbying activities performed by a paid Chapter Administrator, printing cost of materials, donations, etc.). These will be reported on the attached form in July with other financial information that is required for APWA's 990 filing.

Please contact us with any questions. Specific advocacy activity questions can be sent to Andrea Eales (aeales@apwa.net or 202-218-6730) and financial reporting questions can be sent the APWA Finance Department at finance@apwa.org

Lobbying expenditures by Electing Public Charities

Limits on Lobbying Expenditures

Form 990, Schedule C, Part II-A

Instructions:

This schedule should be completed when the Chapter/Branch has expended association funds in an attempt to influence any legislation or affect the opinions of the general public. This includes ballot issues at the federal, state, provincial and local level. If your chapter/branch has hired a lobbyist and/or contracted with an independent contractor and his/her duties include services related to lobbying, an allocation of time and expense should be performed and those costs reported below.

Chapters/Branches 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 office regardless of whether the election is held at the federal, state, provincial or local level.

Questions related to this schedule should be directed to Meera Patel -- mpatel@apwa.net

ENTER CHAPTER NAME HERE

STEP 1) Provide a description of the lobbying activities performed during the reporting period:

STEP 2) Report expenditures made with relation to grass roots and/or directly lobbying activities.

Limits on Lobbying Expenditures - (The term "expenditures" means amounts paid or incurred)	Chapter and Branch Expenditures
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 a and b)	\$ -

DEFINITIONS:

Grass Roots Lobbying: For purposes of Schedule C, Part II-A, any attempt to influence any legislation through an attempt to affect the opinions of the general public or any part of the general public. The communication refers to specific legislation, reflects a point of view on the legislation and include a call to action. Examples of call to action are:

1. States that the recipient should contact legislators;
2. States a legislator's address, phone number, etc.;
3. Provides a petition, tear-off postcard, or similar material for the recipient to send to a legislator; or
4. Specifically identifies one or more legislators who:
 - a. Will vote on legislation;
 - b. Opposes the communication's view on the legislation;
 - c. Is undecided about the legislation;
 - d. Is the recipient's representative in the legislature; or
 - e. Is a member of the legislative committee that will consider the legislation.

Direct Lobbying: For purposes of Schedule C, Part II-A, any attempt to influence any legislation through communication with any:

- Member or employee of a legislative or similar body, or
- Government official or employee who may participate in the formulation of the legislation, but only if the principal purpose of the communication is to influence legislation.

A communication with a legislator or government official will be treated as a direct lobbying communication if it:

- Refers to specific legislation
- Reflects a view on such legislation.

Legislation Includes action by Congress, any state legislature, any local council, or similar governing body with respect to acts, bills, resolutions, or similar items or by the public in referenda, ballot initiatives, constitutional amendments or similar procedures. It does not include actions by executive, judicial or administrative bodies.

STEP 3) Certification

Chapter Officer Certification:

I certify to the best of my knowledge that the description above and the expenditures disclosed accurately reflects the Lobbying Activities of this Chapter or Branch.

Chapter Officer (Type Name)