

THE HEINZ ENDOWMENTS  
**NONPROFITS** *and the*  
**CALL to MORAL**  
**LEADERSHIP**

A SPECIAL MEETING WITH OUR GRANTEE PARTNERS

October 3, 2017  
August Wilson Center for  
African American Culture

THE HEINZ ENDOWMENTS  
HOWARD HEINZ ENDOWMENT • VIRA I. HEINZ ENDOWMENT

[www.heinz.org](http://www.heinz.org)

**Alliance for Justice**  
**Natalie Roetzel Ossenfort, Director**  
Alliance for Justice, Texas Office

# Nonprofit Advocacy 101

## Why & How: The Time is NOW

by Natalie Ossenfort  
Texas Director  
Alliance for Justice

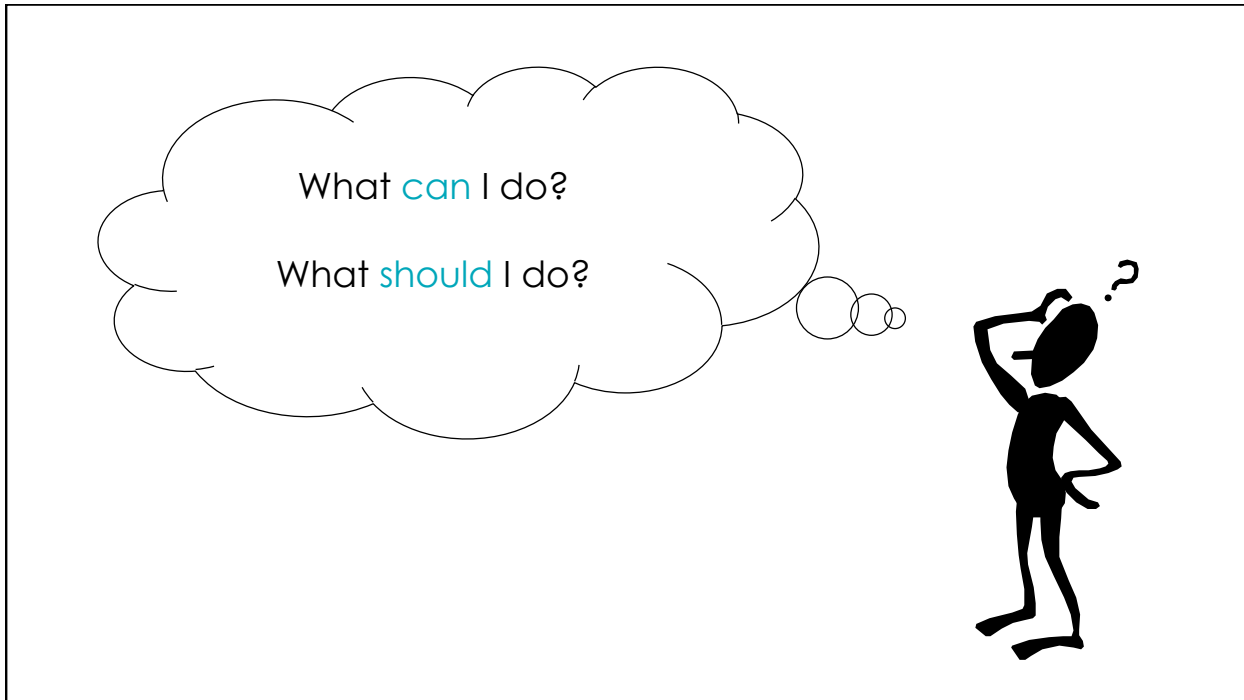


1. Why Advocacy?
2. Rules for Private Foundation Grantees
3. Advocacy vs. Lobbying
4. Lobbying Limits & Definitions
5. Building Your Advocacy Capacity




**AGENDA**

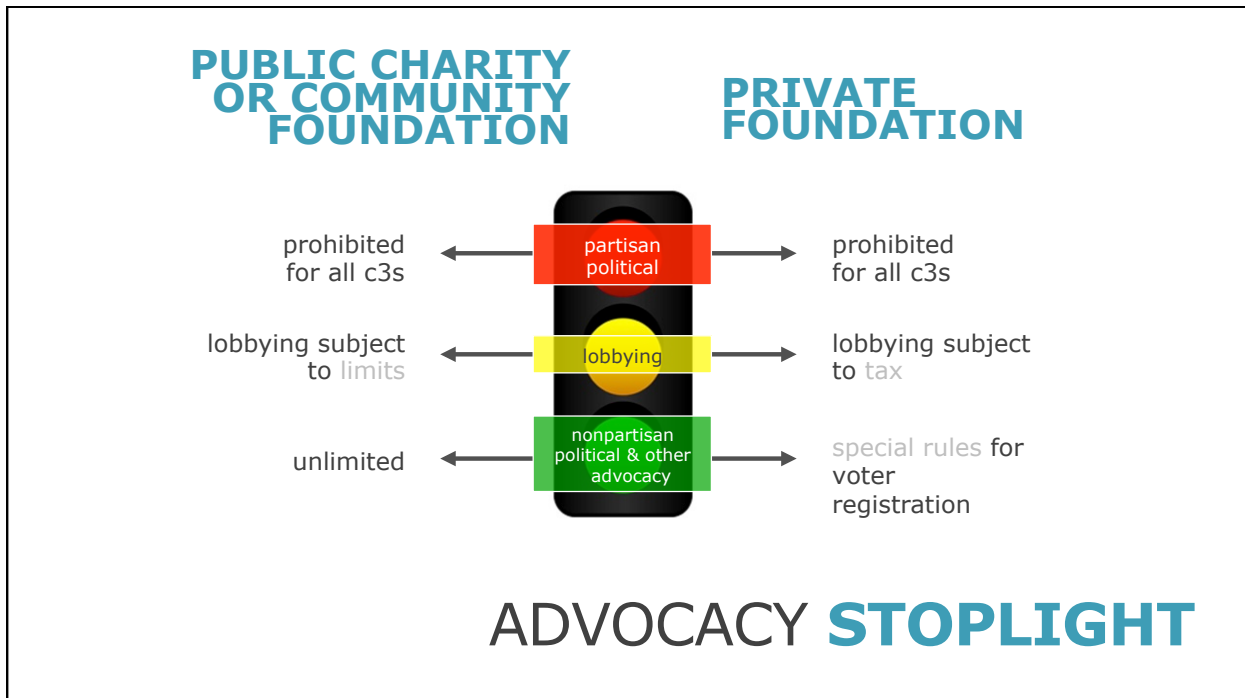
# WHY **ADVOCACY**?





Overview of  
**Tax-Exempt Status**  
and  
**Rules for Private  
Foundation Grantees**

	501(c)(3) Private Foundation	501(c)(3) Charity/ Public Fdn	501(c)(4)
Examples			
Tax Treatment	tax-exempt contributions tax-deductible	tax-exempt contributions tax-deductible	tax-exempt
Lobbying Activities	<b>extremely limited</b> tax on foundation and managers	<b>limited</b> Insubstantial Part or 501(h)	<b>unlimited</b>
Electoral Activities	cannot support or oppose a candidate for office	cannot support or oppose a candidate for office	secondary activity follow federal and state election law



# WHAT IS **ADVOCACY?**

## ADVOCACY:

The act of pleading for,  
supporting, or recommending



WHAT IS  
**LOBBYING?**

# PUBLIC CHARITY LOBBYING LIMITS

## **INSUBSTANTIAL PART TEST**

1. Default test
2. What is “insubstantial”?
3. Lobbying not defined
4. Activities-based
5. Penalty

or

## **501(H) EXPENDITURE TEST**

1. Dollar-based limits
2. One-time election – IRS Form 5768
3. Expenditures only
4. Definition of lobbying
5. Penalty less severe





**1. Calculate organization's annual expenditures.**

**2. Overall lobbying limit:**

ANNUAL EXPENDITURES	OVERALL LOBBYING LIMIT
\$500,000 or less	20%
\$500,000 to \$1 million	\$100,000 + 15% of excess over \$500,000
\$1 million to \$1.5 million	\$175,000 + 10% of excess over \$1 million
\$1.5 million to \$17 million	\$225,000 + 5% of excess over \$1.5 million
Over \$17 million	\$1,000,000

**3. Grassroots lobbying limit is 25% of overall limit.**

Contacting legislators to propose, support, or oppose legislation or the government's budget process.

Urging the public to contact legislators to propose, support, or oppose legislation or the government's budget process.

Advocating the adoption or rejection of legislation.

**WHAT IS  
LOBBYING  
UNDER THE  
INSUBSTANTIAL  
PART TEST?**

**DIRECT**

- communication
- legislator
- expresses a view about specific legislation



**GRASSROOTS**

- communication
- general public
- expresses a view about specific legislation
- call to action

**WHAT IS LOBBYING under 501(h) expenditure test?**

(definitions for public charities making 501(h) election & private foundations)

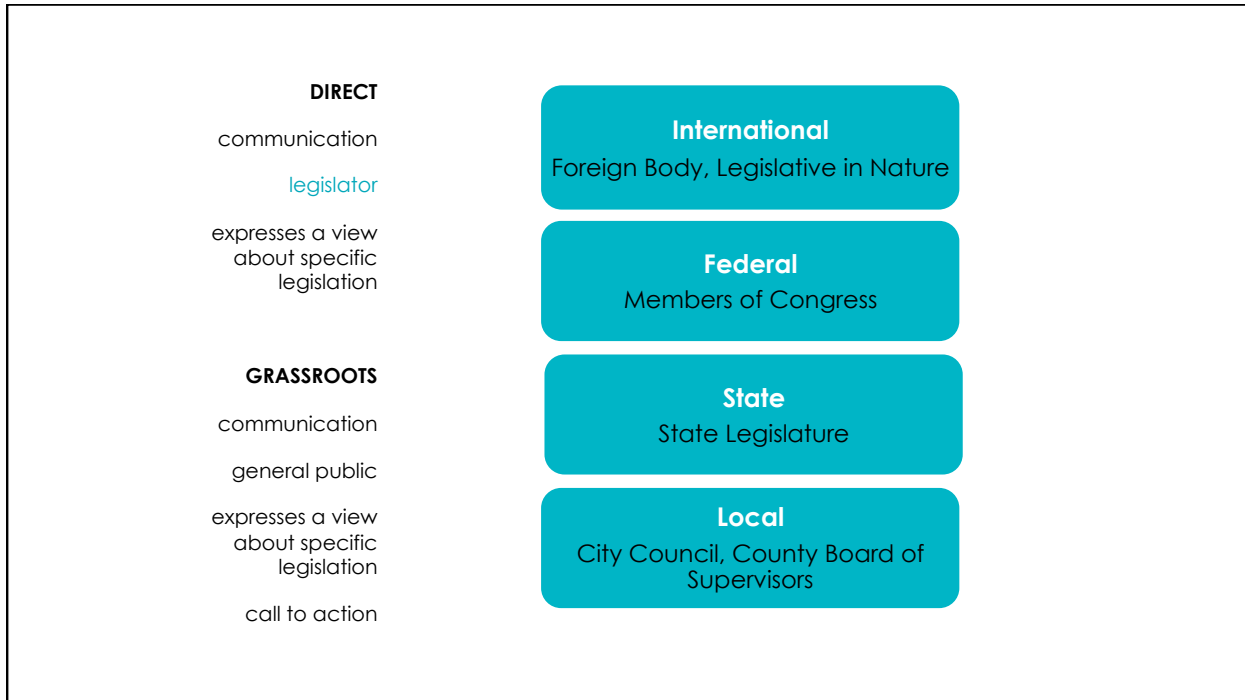
**DIRECT**

- communication
- legislator
- expresses a view about specific legislation



**GRASSROOTS**

- communication
- general public
- expresses a view about specific legislation
- call to action



**DIRECT**  
communication  
legislator  
expresses a view about specific legislation

**GRASSROOTS**  
communication  
general public  
expresses a view about specific legislation  
call to action



**Who is a legislator?**  
President, governor, mayor, or other executive official who **participates in the formulation of legislation.**

**DIRECT**

communication

legislator

expresses a view  
about specific  
legislation

## SPECIAL "LEGISLATOR" RULE

Members of the general public are "legislators."



**Ballot Measures**

- ballot initiatives
- referenda
- constitutional amendments
- bond measures

**GRASSROOTS**

communication

general public

expresses a view  
about specific  
legislation


call to action



- school boards
- zoning boards
- housing authorities
- sewer and water districts
- other "special purpose bodies"

**NOT** LEGISLATORS

<p><b>DIRECT</b></p> <p>communication</p> <p>legislator</p> <p>expresses a view about specific legislation</p> <p><b>GRASSROOTS</b></p> <p>communication</p> <p>general public</p> <p>expresses a view about specific legislation</p> <p>call to action</p>	<p style="text-align: right;">H.B. No. 15</p> <p style="text-align: center;">AN ACT relating to level of care designations for hospitals that provide neonatal and maternal services.</p> <p style="text-align: center;">BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:</p> <p style="text-align: center;">SECTION 1. Chapter 241, Health and Safety Code, is amended by adding Subchapter H to read as follows:</p> <p style="text-align: center;"><u>SUBCHAPTER H. HOSPITAL LEVEL OF CARE DESIGNATIONS FOR NEONATAL AND MATERNAL CARE</u></p> <p style="text-align: center;"><u>Sec. 241.161. DEFINITIONS. In this subchapter:</u></p> <p style="text-align: center;">(1) "Department" means the Department of State Health Services.</p> <p style="text-align: center;">(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.</p> <p style="text-align: center;"><u>Sec. 241.162. LEVEL OF CARE DESIGNATIONS. (a) The executive commissioner, in accordance with the rules adopted under Section 241.163, shall assign level of care designations to each hospital based on the neonatal and maternal services provided at the hospital.</u></p> <p style="text-align: center;"><u>(b) A hospital may receive different level designations for neonatal and maternal care, respectively.</u></p> <p style="text-align: center;"><u>Sec. 241.163. RULES. (a) The executive commissioner, in consultation with the department, shall adopt rules:</u></p> <p style="text-align: center;">(1) establishing the level of care for neonatal and maternal care to be assigned to hospitals;</p> <p style="text-align: center;">(2) prescribing criteria for designating levels of neonatal and maternal care, respectively, including specifying the minimum requirements to qualify for each level designation;</p> <p style="text-align: center;">(3) establishing a process for the assignment of levels of care to a hospital for neonatal and maternal care, respectively;</p> <p style="text-align: center;">(4) establishing a process for amending the level of care designation requirements, including a process for assisting facilities in implementing any changes made necessary by the amendments;</p> <p style="text-align: center;">(5) dividing the state into neonatal and maternal care regions;</p> <p style="text-align: center;">(6) facilitating transfer agreements through regional coordination;</p> <p style="text-align: center;">(7) requiring payment, other than quality or outcome-based funding, to be based on services provided by the facility, regardless of the facility's level of care designation; and</p> <p style="text-align: center;">(8) prohibiting the denial of a neonatal or maternal level of care designation to a hospital that meets the minimum</p>
--	--

<p><b>DIRECT</b></p> <p>communication</p> <p>legislator</p> <p>expresses a view about specific legislation</p> <p><b>GRASSROOTS</b></p> <p>communication</p> <p>general public</p> <p>expresses a view about specific legislation</p> <p>call to action</p>	
--	--

## **SPECIFIC LEGISLATION**



The August recess isn't meant for playtime!  
Ask Congress to include crucial civil rights priorities  
in the Elementary and Secondary Education Act.



**ISSUE:** ESEA Reauthorization

## **NOT SPECIFIC LEGISLATION**



Ensure equal opportunity in education for all children.  
Support civil rights protections  
for underserved students.

**ISSUE:** Civil Rights Protections in Schools

-  Regulations
-  Executive Orders
-  Enforcement of Existing Law
-  Litigation

## NOT SPECIFIC LEGISLATION

**DIRECT**  
communication  
legislator

expresses a view  
about specific  
legislation

**GRASSROOTS**  
communication  
general public

expresses a view  
about specific  
legislation

call to action

**TELLING TO CONTACT**  
legislator(s)

**PROVIDING ADDRESS,**  
telephone number, and/or other  
contact information of legislator(s)

**PROVIDING MECHANISM**  
to enable communication  
with legislator(s)

**IDENTIFYING**  
legislator(s)


**DIRECT**  
communication  
legislator  
expresses a view  
about specific  
legislation

**GRASSROOTS**  
communication  
general public  
expresses a view  
about specific  
legislation

~~call to action~~ → **NOT LOBBYING**

**NOT** calls to action:  
“Learn more!”  
“Take action!”  
“Support our efforts!”  
“Get involved!”

**NO PAID SICK DAYS FOR RESTAURANT EMPLOYEES.**



**AN “ENHANCED” DINING EXPERIENCE FOR RESTAURANT CUSTOMERS.**

Nearly half of all workers in Maine lack paid sick days.  
Support your fellow Maine workers and their right to recover from illness without endangering public health or losing a day's pay.

Contact your legislator and share your support of LD 1454, the Paid Sick Days Bill.

[www.MainesServes.org](http://www.MainesServes.org)





- nonpartisan analysis, study, or research
- request for technical assistance
- self-defense
- examinations and discussions of broad social, economic, and similar problems


## LOBBYING **EXCEPTIONS**


**MUST**

- represent full and fair discussion
- be broadly disseminated

**MAY**

- express a view
- contain indirect call to action
- limit subsequent grassroots lobbying

  
*Restoring a National Consensus:  
The Need to End Racial Profiling  
in America*  
MARCH 2015



**NONPARTISAN  
ANALYSIS**

**MUST BE**

- invited in writing on behalf of committee
- available to all members of committee

**MAY**

- express a view on specific legislation

**TECHNICAL  
ASSISTANCE**



**MUST  
RELATE TO**

- powers and duties
- tax-exempt status
- deductibility of contributions



**SHOULD**

- consult with attorney

# SELF-DEFENSE

**NO SPECIFIC  
LEGISLATION**

- blue ribbon panel
- annual reports
- early stages of policy development

**NO CALL  
TO ACTION**

- communication does not include call to action

# ANALYSIS + DISCUSSIONS

**take.action.now**

Get Knowledgeable

Talk to someone. Tell them what you know about child prostitution, pornography and trafficking. This is the first step but in some ways the hardest one. Child abuse and exploitation exists in the shadows, out of the sight of good people who want to do away with it but who find it difficult to talk about. The only way to ensure we can stop it is by acknowledging the scope and impact of commercial sexual exploitation of children. Talking about it is the first step to ending it, as is getting hotels to sign the code of conduct so that they train their staff to recognize the problem.

# Advocacy Capacity Tool for Organizational Assessment

How can it be used?



- identify gaps
- strengthen organization
- choose partners
- build field
- show capacity
- help with fundraising

***Free to nonprofits, funders, and coalitions.***  
**[www.bolderadvocacy.org/act](http://www.bolderadvocacy.org/act)**



**WEST COAST**  
436 14<sup>th</sup> Street  
Suite 425  
Oakland, CA 94612  
510-444-6070

**EAST COAST**  
11 Dupont Circle NW  
2<sup>nd</sup> Floor  
Washington, DC 20036  
202-822-6070

1000 N Alameda Street  
Suite 340  
Los Angeles, CA 90012  
213-346-3288

**TEXAS**  
501 Elm Street  
Suite 450  
Dallas, TX 75202  
214-530-9144

866-675-6229  
advocacy@afj.org  
**[www.bolderadvocacy.org](http://www.bolderadvocacy.org)**  
@AFJBeBold | @NatalieAFJ  
[www.facebook.com/BolderAdvocacy](https://www.facebook.com/BolderAdvocacy)