

## **Overview: PYM Policy on Advocacy**

Quaker practice invites Friends to listen deeply to the Inward Teacher and then to follow the leading that comes as a result. This is foundational to our faith, and individuals and meetings expect ourselves to be guided by Spirit in our daily decisions and with the direction of our lives. One way of responding to Spirit is through political action, including creating lasting and structural change through local, state and federal legislation. Individuals may do this without limitation. When monthly, quarterly and yearly meeting engagement is political, in addition to seeking unity in spiritual discernment we must also consider what is legally necessary for our nonprofit organization.

Religious nonprofit organizations may advocate and express opinions about policies, issues, and legislative priorities, including specific legislation and they may do so in a broad range of activities. However, tax-exempt organizations—and more explicitly churches—are extremely limited in their ability to lobby, that is, they may not attempt to influence specific legislation.

PYM policy states that the yearly meeting may not lobby. The policy, approved by the Administrative Council in January 2022, covers the yearly meeting and the organizations included under the umbrella of the yearly meeting's group tax exemption. The council's decision-making was guided by research and consultation with other organizations' practices, our attorney and PYM Friends.

As a faith community and as individual Friends we must witness in the world, live in the virtue of that life and power that takes away the occasion for all wars<sup>1</sup> and create the kin-dom of God through the testimony of our lives. This policy is a way to provide guardrails that protect PYM from the catastrophic effects of losing its tax-exempt status. As a yearly meeting, through a deep and inclusive discernment process, we might determine that we are called to take that risk. However, we care for our ability to function as a community by ensuring that such a risk isn't taken on behalf of the yearly meeting or unintentionally.

The policy and additional explanatory information and examples based on the questions Friends have asked are below. Additional questions about this policy may be directed to the PYM General Secretary, CFO, or Administrative Council Clerk.

<sup>1</sup> George Fox, Journal, volume I

### **Approved PYM Policy on Advocacy**

PYM, including groups and meetings in PYM, may advocate for issues and concerns that are rooted in spiritual discernment and the testimonies of Friends.

PYM, including groups and meetings in PYM, may not engage in direct or grassroots legislative lobbying or in political campaigning.

PYM communications channels, programs, or events may not be used by individuals or groups to “call for action” on specific legislation or on candidates for public office.

### **Frequently Asked Questions about the Big Picture and the Purpose of this Policy**

#### **What is advocacy?**

- Advocacy is the process of stakeholders making their voices heard on issues that affect their lives and the lives of others. It covers a wide range of mission-related engagement, educational activities, and activism.
- Organizations may express opinions about policies, issues, and legislative priorities, including specific legislation.
- Organizations may contact legislators and public officials about their concerns without asking them to vote in a specific way on specific legislation.
- They may educate their members about issues and effective participation.
- They may encourage their members to contact legislators and public official about issues and legislation, as the individual members are led.
- Individuals are not affected by these distinctions. Nothing inhibits or limits an individual’s personal freedom to lobby or advocate as they are led.

#### **What is lobbying?**

- Lobbying always involves attempting to influence legislation through a “call to action.”
- Since the Revenue Act of 1934, the IRS has limited 501(c)(3) organizations, requiring “no substantial part of (their) activities constitute carrying on propaganda or otherwise attempting to influence legislation.”
- *Direct Lobbying*: A form of advocacy that attempts to influence legislation by contacting public officials to propose, support, or oppose specific legislation or urge the adoption or rejection of specific legislation.
- *Grassroots Lobbying*: A form of advocacy that attempts to influence specific legislation by encouraging members of the public to contact legislators about that legislation. This could include encouraging others to contact public officials and asking them to propose, support, or oppose specific legislation or urging them to adopt or reject specific legislation. An organization engages in grassroots lobbying when it asks its members, or members of the general public, to contact public officials about specific actions on specific legislation.
- *Political Campaigning*: Expressing a position in favor or against a candidate for public office.

### **IRS definition of legislation**

- The IRS uses the term “legislation” to include action by Congress, by any State legislature, by any local council or similar governing body, or by the public in a referendum, initiative, constitutional amendment, or similar procedure.
- Legislation does not include actions by “administrative bodies.” These are special purpose bodies, such as school boards, housing authorities, park commissions, sewer and water districts, and zoning boards.

### **Why is lobbying an issue now for PYM? What changed?**

- The yearly meeting has taken on some ministries as “yearly meeting-wide witnesses.”
- All households, meetings, and the yearly meeting itself are invited to be under the weight of those ministries.
- When we began engaging all Friends in a public way to come under the banner of PYM-wide witnesses, lobbying was revealed to be a problem.
- Before PYM elevated some witnesses to a corporate ministry, stories about lobbying in our communications channels were minor and occasional, without far reaching impact.
- But communications from PYM and from collaboratives are forwarded to many Friends and meetings. Meetings pick up stories and post them in their own communications channels.
- When shared stories started to become regular stories about lobbying, it furthered the appearance and reality that PYM was engaged in lobbying efforts.

### **Other non-profit organizations lobby, why is this not an issue for them?**

- The IRS permits 501(c)(3) non-profits that are not churches to do some limited lobbying. “Some” is not defined.
- Non-church non-profits file federal Form 990, a nonprofit tax return. This form allows the filing organization to elect an option that allows limited lobbying activity within a formula, a calculation based on the organization’s financial expenditures. It also permits lobbying if done through volunteer labor. This is called the 501(h) election.
- Churches do not file Form 990 (the IRS uses “church” to mean worshipping faith communities, not limited to Christian communities). Churches are explicitly excluded from the (h) election and any expenditure test. The IRS has broad authority to determine whether churches are within the definition of “some” lobbying. The IRS is the judge of the pertinent facts and circumstances in each situation.
- Many 501(c)(3) organizations and churches are vocal about issues that concern them, but they modulate their activities and language to stay well within the boundaries of advocacy. Some non-profits such as POWER choose the (h) election and can lobby to an extent.
- Some non-profits are organized as 501(c)(4) social welfare organizations. They are not charities and not tax-exempt, and they are allowed by federal law to lobby. Friends Committee on National Legislation and Friends Committee on Legislation in California are two examples.

### **What does legal counsel recommend for PYM?**

- Our attorney recommended that PYM adopt a policy on lobbying.
- She recommended that PYM draw a bright line that is a step back from the undefined “some,” and that we not try to navigate the edge or define for ourselves what “some lobbying” means.
- She recommended that PYM avoid any lobbying and use the wide range of activity and expression allowed by advocacy to further its mission and witness.
- She stated that lobbying puts PYM at risk of losing its 501(c)(3) tax-exempt status.
- She stated that Administrative Council, which approves policy, has a fiduciary responsibility to PYM and to our affiliated meetings and Friends organizations to protect our tax-exempt status.

### **If PYM lost its 501(c)(3) tax-exempt status, what are some of the consequences?**

- PYM’s loss of 501(c)(3) status would mean the loss of 501(c)(3) tax status for itself and all the meetings and Friends organizations under PYM’s group tax umbrella.
- Property and investments would become taxable.
- Donors to monthly meetings could not be assured that their contributions were tax-deductible.
- Monthly meetings, as local religious congregations, would still generally be eligible to receive tax-deductible contributions because the IRS would automatically consider them tax-exempt. However, without 501(c)(3) status, meetings would not be able to demonstrate IRS recognition of their tax-exempt status or provide documented proof to donors, grantors, banks, vendors, or local government.
- Charitable trusts held by banks or by Friends Fiduciary could not make distributions to PYM or its meetings and Friends organizations because those entities would no longer be considered eligible 501(c)(3) charitable beneficiaries. The same would apply to gifts from donor-advised funds and grants restricted to charitable recipients that can demonstrate 501(c)(3) status.
- PYM would lose participation in the Friends Pension Plan, the Friends 403b Plan, Friends Insurance Group, and in Friends Center as an equity partner.

### **Some Practical Questions Friends Have Asked about the Policy in Action**

#### Questions asked about PYM and lobbying

#### **Why can’t a PYM group, such as a collaborative, lobby?**

- PYM groups are part of the PYM organization so their actions are the yearly meeting’s actions.

#### **Can PYM form a 501(c)(4)?**

- No. Some 501(c)(4) organizations have a 501(c)(3) charitable arm that engages in tax-exempt activities like educational programming. The charitable arm does not lobby and is allowed to receive tax-deductible contributions. FCNL as well as the ACLU and the NRA, among others, do this. They are able to create an affiliated 501(c)(3)

organization because the affiliate is more restricted and limited to charitable purposes. However, a 501(c)(3) cannot form a less restricted affiliated organization whose purpose is to lobby.

**Can Friends in PYM form an independent 501(c)(4)?**

- Yes. Private citizens can lobby and create 501(c)(4) organizations. It just can't be done with governance or financial support from the church, i.e., PYM or a meeting.

**PYM Friends are appointed by the yearly meeting to Friends Committee on National Legislation's governing board. Can those representatives lobby with FCNL?**

- Yes. FCNL's bylaws state that their board is created in part by yearly meetings appointing members to it. Those members are not lobbying for FCNL on behalf of PYM, they are lobbying on behalf of FCNL.

Questions asked about what it means to lobby

**Can we tell people where to go to get more information if they wanted to get involved in lobbying? Could we tell them when there's another group that is doing it, and how to get involved?**

- Yes.

**Can we talk to our legislative representatives and our elected officials to help educate them?**

- Yes.

**What if we don't focus on a particular bill but on the importance of taking care of people and reversing climate change and ending racism – can we do that?**

- Yes.

**Does this apply to state and local legislation?**

- Yes, it applies to actions taken by Congress, by any State legislature, by any local council or similar governing body, or by the public in a referendum, initiative, constitutional amendment, or similar procedure.
- It does not include actions by "administrative bodies." These are special purpose bodies, such as school boards, housing authorities, park commissions, sewer and water districts, and zoning boards.

**What if we're not sure if something is lobbying or not?**

- Let's talk about it together. Contact Linell McCurry, CFO or Christie Duncan-Tessmer, General Secretary to discuss it. We've found that when there's something new to figure out it takes a little bit of talking through. That helps all of us figure out together

## Questions asked about monthly and quarterly meetings

### **Can individuals invite Friends in the meeting to lobby? Can we use the meeting listserv to ask people to lobby?**

- Individual citizens may always engage in lobbying.
- The meeting itself can't lobby or ask its members to sign postcards or invite signatures on petitions. The meeting's communications channels such as listservs, social media and newsletters also can't be used for lobbying. Friends posting in a listserv or the meeting's social media makes it hard to monitor the boundary between the individual and the organization.

### **Can the meeting write letters to the local paper about a concern?**

- Yes, meetings can educate about and advocate for an issue - as long as they are not lobbying.

### **If a monthly meeting chooses to jeopardize its 501(c)(3) status by lobbying or by political campaigning, is it putting the yearly meeting and all other meetings in the PYM group tax exemption at risk?**

- No. Meetings have their own Tax ID (EIN) numbers and could risk losing their 501(c)(3) status, but it is limited to themselves, the impact does not move up or sideways to other parts of the PYM community.

## **The Policy in Practice**

To help illustrate what this policy means in practice we'll walk through two examples.

### **Example 1**

H.R.40 is a specific piece of legislation that would stand up a commission to study and develop proposals for reparations for African Americans. It has been introduced at every congressional session since 1989, and for the first time was voted out of the House Judiciary Subcommittee on Constitution, Civil Rights, and Civil Liberties in April 2021.

There are many PYM Friends who believe that reparations are a comprehensive way of reckoning with the disastrous effects of slavery that continue to compound for Black people every day. Those Friends want to see our country take real steps toward establishing reparations and they want to see H.R.40 passed by Congress. Their work on the issue may be ministry for them and they can and should do everything they can, as individuals, to help the bill get passed.

As an individual, a Friend may work on reparations and try to get H.R.40 passed in any and every way, including direct lobbying grassroots activity. When they experience their work as being part of their faith, they can and should lift up their Quakerism and our testimonies to their congress members.

As a monthly or quarterly meeting or a PYM group, such as a collaborative or as the middle school Friends community, Friends can advocate to congress members for reparations as a matter of policy and justice. They can educate themselves and others about what H.R.40 is about and the impact it would have. The one thing they can't do is advocate for H.R.40's passage as a path to reparations. Advocating for the passage of H.R.40 is attempting to get to a specific outcome for specific legislation. So a Friend may say that their Quaker faith leads them to personally support HR40, but may not say that PYM, or their monthly meeting supports HR40.

**Example 2**

H.R.2021, the Environmental Justice for All Act, “establishes several environmental justice requirements, advisory bodies, and programs to address the disproportionate adverse human health or environmental effects of federal laws or programs on communities of color, low-income communities, or tribal and indigenous communities.” The chart below provides some examples of what PYM meetings and groups can do to advocate for eliminating the intersection of racism and environmental concerns and what is restricted.

Example Activities of PYM or PYM Group	Advocacy	Grassroots Lobbying	Direct Lobbying	Partisanship & Campaigning
As a PYM Group, provide research, analysis, and commentary on H.R.2021 in a news story	✓			
Visit your state representatives as a monthly meeting to discuss the importance of eliminating disparate health impact on neighborhoods of color	✓			
Visit your representatives as a meeting to tell them why they need to vote for H.R.2021			X	
As a PYM Council publish a news story about why H.R.2021 needs to be voted into law to address both racism and climate change.		X		
Encourage Friends to only speak with Democratic legislators about H.R.2021				X