

Community Foundations and Advocacy

Community Foundations Can Support Lobbying

As public charities, community foundations can participate in and support lobbying. Unlike [private foundations](#) that are generally restricted from lobbying, community foundations can themselves participate in and fund a limited [amount of lobbying](#).

Community Foundations Can Advocate

Community foundations can conduct all of the non-lobbying [advocacy activities](#) private foundations can do and can fund these activities. For example, a community foundation could build relationships with legislators or help grantees build and sustain these relationships, the foundation could convene nonprofits and decision-makers to discuss a broad topic (e.g., how to balance the economy, development and the preservation of endangered species), or fund litigation to challenge the constitutionality of a particular law.

Community Foundations May Lobby, Within Limits

In addition, all 501(c)(3) public charities, including community foundations, can lobby within generous limits allowed by federal tax law. How much lobbying the foundation can do will depend upon which of two tests the foundation uses to measure its lobbying – the “501(h) expenditure” test or the “insubstantial part” test. Most foundations will benefit from electing to measure their lobbying using the [501\(h\) expenditure test](#) because the rules governing lobbying under Section 501(h) are clearer than those that apply under the insubstantial part standard.

Community Foundations May Support Charities That Lobby

Community foundations may support charities that lobby by making grants that are earmarked for lobbying. An earmarked lobbying grant will count against the foundation’s lobbying limit. Foundations that have made the 501(h) election may make [two types of grants](#) that, if done correctly, would not be considered a lobbying expenditure by the foundation – general support and specific project grants – while permitting grantees flexibility in the use of their funds.

Community Foundations May Support Election-Related Activities

Community foundations, like all public charities, are absolutely prohibited from engaging in activity that supports or opposes a candidate for public office. Community foundations may, however, support nonpartisan [voter education activity](#) (i.e., candidate education, get-out-the-vote, and voter registration activities). Private foundations have special restrictions for funding [voter registration activities](#). These restrictions are not applicable to community foundations.

Community Foundations Can Support Nonpublic Charities

Community foundations are permitted to fund the work of nonpublic charities, including 501(c)(4) social welfare organizations and unions, if it is an activity that the foundation could participate in itself. For example, a community foundation could provide a [grant](#) to a 501(c)(4) organization to engage in nonpartisan voter registration activity but could not provide a grant to the same organization to produce a partisan voter guide because the community foundation is not allowed to support or oppose candidates for office.¹

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¹ Donor Advised Funds must adhere to different rules in regard to making grants to nonpublic charities.