

Beacon Hill Friends House Strategic Plan

2017-2020

Approved by the Beacon Hill Friends House Board of Managers on January 21, 2017

Mission and Purpose

Beacon Hill Friends House is a center for Quaker educational activities, the home of Beacon Hill Friends Meeting, and a residential intentional community inspired by Quaker principles. Our Mission is to embody the Quaker principles of faith, simplicity, integrity, community and social responsibility in order to nurture and call forth the Light in all of us.

Beacon Hill Friends House (BHFH) was established in 1957 thanks to the generous bequest of the building from John G. Greene, whose vision for the House was expressed in its articles of incorporation as follows:

“To advance and foster the distinctive principles of the Religious Society of Friends, to provide opportunities for the development of leadership for the Society, and especially to establish and maintain a center where members of the Society and persons sympathetic to its principles, including those pursuing programs of study at other educational institutions, whether undergraduate, graduate or special, may meet together, and where such persons may live, and where the principles of the Society may be advanced and fostered by study and example.”

Strategic Planning Process

To our knowledge, this is the first formal Strategic Plan for Beacon Hill Friends House since its founding. This Strategic Plan was created over a six-month period in 2016 with the participation of a diverse and representative group of volunteers and the Director, including:

- Ben Lynch, Clerk of the Strategic Planning Committee, BHFH Board Member and Resident
- Lucy Meadows, Clerk of the BHFH Board and Corporation
- Holly Baldwin, Director of BHFH
- Ali White, BHFH Alumna
- Bill Mitchell, BHFH Board Member and Alumnus
- Billy Tierney, BHFH Resident
- Cliff Putney, BHFH Board Member and Alumnus
- Hugh Gelch, BHFH Board Member
- Nari Savanorke-Joyce, BHFH Resident
- Regina McCarthy, BHFH Board Member
- Scott Smith, BHFH Board Member
- Sumner Caughey, BHFH Board Member and Alumnus
- Will Jennings, BHFH Alumnus

The members of the Strategic Planning Committee worked with the guidance of a Strategic Planning consultant, Julia Riseman, member of Northampton Friends Meeting. The planning process included a community-wide event, called the “Dream Big Event,” on Saturday, June 18, 2016, that collected and synthesized our many hopes and wishes for the future of BHFH. Each member of the committee also conducted informational interviews with a variety of mission-driven organizations undertaking work related to BHFH that helped us appreciate more deeply the different paths BHFH might pursue in the future. These inputs helped to shape the thinking of the Strategic Planning Committee and are reflected in this plan.

Why develop a Strategic Plan now?

BHFH is called to fulfill the mandate set out in the original bequest. It is helpful from time to time to reflect on the mission, purpose and current condition of the organization and to define clear goals and priorities, so that the entire organization may continue to thrive now and into the future.

Failure to distinguish ourselves by advancing our Quaker mission with robust programming runs the risk of BHFH’s work and mission becoming irrelevant and stagnant. We also risk failing to excite people to offer their time and money on behalf of our stewardship objectives to maintain the House and programs. Another risk: by failing to address critical needs around us, we might inadvertently perpetuate societal problems that are very much at odds with our stated Quaker values. Perhaps the greatest risk: we become complacent, function as a Quaker boarding house and regard our mission statement as nothing more than adornment for the website.

Instead, we choose to embrace a vision for BHFH as a vibrant hub for Quaker life, Quaker learning, Quaker leadership, and social action, both in the House and in the broader communities of Beacon Hill, Boston, and beyond. This requires a commitment of the Board of Managers with the support of the Corporation to focus upon three important strategic goals over the next three years:

1. Foster **Quaker Life and Learning** at BHFH
2. Advance **Quaker Leadership and Action** Emanating from BHFH
3. Ensure Faithful **Stewardship** of BHFH

The following document details how these three goals might be implemented.

Strategic Goal #1

Living and Learning Quakerism at Beacon Hill Friends House

Current Status

Our Quaker distinctiveness could be much stronger, given in part the lack of formalized Quaker study and involvement in Quaker activity beyond daily life at BHFH. However, we still find Quaker values implicit in almost every area of the organization. Living at BHFH, residents receive an informal yet dynamic education in community life. Yet we don't fully incorporate Quaker thought and practice into our day-to-day living. The Quaker-centered aspect of our work is underutilized--by ourselves and others.

Opportunity

We have the opportunity to renew and share Quaker practices and principles inside the House with residents, among the Religious Society of Friends, and with members of the community more broadly. We have the potential to be an incubator for the advancement of these ideas. BHFH could be a hub for Friends for worship, learning, and the development of new leadership. To do so, we will need to be more specific and explicit about the aspects of BHFH that are informed by Friends' faith and practices.

At the same time as we strengthen our Quaker identity, Beacon Hill Friends House will remain a place where people of differing spiritual paths and opinions can express themselves freely.

The residential community can deepen the experiences of residents with a greater emphasis on personal spiritual exploration. In this unique environment, residents can develop new understandings of their own spiritual journey, Friends' faith, and how to live out their faith through action and practice.

BHFH can also provide a place where people seeking a spiritual path and Friends' approaches to social action and learning can find a home, without choosing to live here. We are eager to explore new approaches to see what we may have to offer the Religious Society of Friends. With sparks of vital activity, residents, guests, and other participants in BHFH programs can go out into the world carrying gifts from Friends faith and practice, and with a greater sense of their own purpose and involvement.

Objectives

To realize the potential of fully living and learning Quakerism at BHFH, we will commit to three major objectives over the next three years:

1. **Name the Quaker Gifts** in what we do and state them more clearly,
2. Create and implement a **spiritual formation program** for residents, and
3. Establish our space as a **hub of vital Quaker ideas and learning** open to all.

NOTE: For the purpose of supporting the work of this Strategic Plan, two new committees will be created, the *BHFH Quaker Learning Committee* and the *BHFH Quaker Action Committee*. The full expectations of these two committees are provided as an addendum to this plan.

Strategic Goal #1 Action Steps

The following action steps will be necessary to implement these objectives:

- 1.1. **Name the Quaker Gifts in what we do and state them more clearly:** The Quaker Learning Committee will articulate and write materials that define Quaker life more explicitly for residents, staff, and guests of the House. When appropriate, the committee will share with the Corporation, Board, Beacon Hill Friends Meeting, Quarterly Meeting and Yearly Meeting for input and discussion – and to foster greater support. Update the Resident Handbook, admission materials, website, and all other materials.
Timing: To be worked on over three years, identifying high priority items to work on immediately. Share priority list and progress updates with the Board.
Resources needed: Time, volunteers and staff time.
Who's involved: The Quaker Learning Committee, with staff and resident involvement.
- 1.2. **Create and implement a spiritual formation program for residents:** The Quaker Learning Committee will run ideas by residents and get feedback on what would be most helpful, how it should be framed, and explore how the process might best be structured. The committee will gather suggested resources and recruit spiritual mentors. A pilot with interested current residents might be undertaken in the first year, adjusted as needed, and implemented with all new residents in the second year.
Timing: Pilot in the first year, implement in full with all new incoming residents in years 2 and 3.
Resources needed: Volunteer Mentors and BHFH Director's and/or Residence Manager's time
Who's involved: The Quaker Learning Committee, BHFH staff and Residents.
- 1.3 **Establish the House as a hub of vital Quaker ideas and learning open to all:** by offering opportunities to explore evolving spirituality, ministries and lived Quaker practices, through salons and small groups open to the community and residents. The Quaker Learning Committee will develop ideas for such programs, seeking input and participation from Quakers and others who would like to be involved. Run a pilot program that would help to discern size and scope based on feedback and experience and determine what support is needed to sustain a full-scale project.
Timing: Planning in year one, pilot in year two, and implement in full year three
Resources needed: Volunteer time and effort
Who's involved: The Quaker Learning Committee, with help from the BHFH Director and Program Manager.

Strategic Goal #2: Quaker Leadership and Action Emanating from Beacon Hill Friends House

Current Status

The House currently has some viable programs, including the residency program and Wednesday night public gatherings. It is difficult, however, to maintain volunteer interest in running the educational programs with sufficient energy to keep them vibrant, relevant, and well attended. Aside from these lectures and open invitations to particular House events (Annual BBQ and Holiday Party), BHFH does not have much of a Quaker presence outside of the confines of the actual brick and mortar structure. Nor does BHFH have established relationships with many Quaker or social justice organizations in the area. Even though the House is close to the Massachusetts State House, there are not any programs in place for the organization to provide a Quaker voice or to be an ally for disenfranchised communities at the state level.

Opportunity

The central location and residency component of BHFH provide opportunities for synergy with many area organizations seeking to promote social action and Quaker values. Within and outside of the Boston community, there are many communities whose voices are not being heard and who continue to be oppressed by those who desire to maintain their privilege and power. BHFH desires to be an ally of these communities and to work in support of their struggle for justice.

BHFH can become a mobilizing hub for partner organizations, interested residents, and members of the Society of Friends to become a voice for change on a larger political level. BHFH's close proximity to the State House can allow us to reach out to individual elected officials and the legislature to "speak truth to power" by helping to shape our government's public policy agenda in accordance with our Quaker values.

Marge Abbott, the former Clerk of Friends Committee on National Legislation (FCNL) wrote *A Theological Perspective on Quaker Lobbying*, which helped to inform the vision for this work at BHFH. As Jim Cason of FCNL said, "A Quaker-led approach to lobbying connects to Friends' faith and practice in our approach: Go in with an open mind, listen actively, speak from your own experience. Go in not to convince but to find common ground. Ask, 'What does my faith lead me to do? How does that speak to policy?' Really listen to what the other says. It takes intentionality, reflection, support, and good training."

We commit to exploring multiple forms of action and collaboration, including advocacy for public policies, in working towards social justice. By becoming an ally, partner and advocate with other people who seek social justice, BHFH has the opportunity to practice Quaker principles, develop Quaker leadership, and expand the power of our mission.

Objectives

To realize BHFH's potential to advance Quaker leadership and action emanating from BHFH, we will commit to three major objectives over the next three years:

1. **Create the position of Program Manager** to coordinate BHFH's Quaker activism and work to channel the energies of local Quakers, interested residents, partner organizations, legislators, and community members towards social justice through the use of Quaker practices.
2. **Build active partnerships** with Quaker organizations and individuals, marginalized community groups who are mobilizing, and Boston-based social justice organizations.
3. Identify some number of **public policies to influence**, based on our partnerships and values. To work toward systemic change, we must also clarify our policy priorities and then "speak truth to power" by helping to shape our government's public policy agenda in accordance with our Quaker values.

Action Steps

The following action steps will be necessary to implement these strategic objectives:

- 2.1 Create the position of Program Manager:** Proceed with planning for a new position of Program Manager who would coordinate BHFH's Quaker Action in partnership with interested Quakers, residents, partner organizations, legislators, and community members, and also play a role in the Quaker Learning activities. Start by defining a job description and qualifications, and creating a realistic budget with associated costs to the House. Proceed with a three-year fundraising campaign for the position. Post and fill the position.

Timing: Begin search in the summer of 2017 (first \$50,000 will be raised in matching donations by this time.)

Resources needed: Fundraising Campaign to raise \$175,000 over three years.

Who's involved: The Quaker Action Committee, with staff involvement. Everyone (Board, Corporation, Staff, House Residents, Alumni) invited to participate in the Fundraising Campaign.

- 2.2 Build Partnerships with Quaker organizations and Boston-based social justice organizations:**

Create a list of organizations, attend meetings, seek opportunities to partner or collaborate, begin to offer trainings or workshops in Quaker-based social justice work.

Timing: Starting Fall 2017, or sooner if Program Manager is hired

Resources needed: Program Manager's time

Who's involved: Program Manager, with support from Quaker Action Com and volunteers.

2.3 Select and act on public policies from a Quaker perspective, working with partners and volunteers to engage with and influence policy-making and help set the terms of debate. Work with Board to develop criteria for selecting public policies to influence, and method for reporting to the Board on goals and impact. Any direct lobbying work by BHFH will remain less than 20% of BHFH operating budget and overall efforts. (See appendix for IRS rules on lobbying.)

Timing: Late 2017 and on-going.

Who's involved: Program Manager, Quaker Action Committee, with community partners.

Strategic Goal #3: Stewardship of Beacon Hill Friends House

This strategic plan ensures that even as Beacon Hill Friends House grows in new directions, we also continue to care for our mission, physical plant, and the people who want to align with our work.

Current Status

BHFH has a wide network of individuals and organizations that are familiar with the House and its mission. Its residents and staff form a core group of people who work to ensure the House's success, while former residents and friends of the House can often be counted on to contribute. BHFH benefits from support – both of talent and financial resources – from a group of outstanding individuals who believe in the mission of BHFH. Over the past three years, BHFH has raised over \$15,000 a year from these individuals. There is, however, a great deal of untapped potential that BHFH could seek out and include in its efforts to sustain itself and grow.

The House is apparently in an adequate financial condition, albeit without a large enough reserve fund for deferred maintenance. Each year's operating budget has a 10-15% surplus by design, to be used for major expenditures such as major building repairs. We have reserves (endowment) equal to several years' operating budget. However, the property is nearly 200 years old, and subject to large repair and improvement expenses. We don't have a formal capital planning process. We would also benefit from an assessment of adequacy of insurance and areas of potential large liability exposure.

Opportunities

Reaching out to people who would be interested in contributing to our mission will not only allow BHFH to spread its mission deeper and farther, but will also increase its capacity to care for this historic structure. Greater engagement with the House's Quaker mission, increased visibility of BHFH in the local community, and more opportunities for participation in BHFH activities will increase the motivation to contribute charitable funds to the House's many financial needs. We have a chance to strengthen the commitment of current stakeholders (Board members, staff, residents and Meeting members) and to make better use of our large network of BHFH alumni/ae. A closer relationship with the Beacon Hill Meeting is also desirable, as is full participation by BHFH Board members in the annual fundraising

campaign – both in terms of giving to the annual fund and in soliciting donations to BHFH. With a formal capital planning process, and more importantly, careful forecasting and tracking of large expenses, we will be more confident that the House is financially on a sustainable footing. Furthermore, we will be able to demonstrate the financial sustainability of the House to potential large donors.

Objectives

To realize the careful stewardship of Beacon Hill Friends House, we will commit to three major objectives over the next three years:

1. **Advance Fundraising**, including launching a three-year \$175,000 Campaign, broadening our constituency, improving the database, planning a future capital campaign, and involving the Board and volunteers in fundraising.
2. **Strengthen Engagement**, including strengthening the Board and Corporation, engaging Alumni, building a stronger partnership between BHFH and BHFH, using fundraising as engagement with our mission with the Board, Friends and supporters.
3. **Manage Spending**, including creating a projected budget, developing a long-range maintenance plan and budget, and conducting a risk management assessment.

Action Steps

1. **Fundraising:** Raise funds for this strategic vision and broaden our constituency.
 - 1.1. **Launch \$175,000 Campaign over next three years:** Raise significantly more resources from philanthropic giving to fund the vision of this strategic plan. We intend to raise $\frac{2}{3}$ of the total amount in a quiet phase before publicizing a campaign to the wider community. Gifts may be pledged and paid over three years.
Timing: Starting immediately, we will contact Board members, then alumni, friends and supporters. We already have \$28,000 pledged.
Resources needed: Time and energy
Who's involved: Board, Development Committee, Staff
 - 1.2. **Database:** Updating the database of BHFH contacts with current information. Reaching out and contacting out-of-touch alums to bring them back into the fold.
Timing: Starting as soon as possible and accomplishing as much as possible before the next annual appeal.
Resources needed: Time and energy
Who's involved: Residency Manager initially with volunteer help to locate missing names and addresses.
 - 1.3. **Grants:** Seeking grants from interested organizations to pay for House improvements. Research and Seek historical preservation organization to help pay for building

improvements. Ensure that the comprehensive list of site and facilities improvements is finished with cost estimates.

Timing: On-going.

Resources needed: Time and energy

Who's involved: Development and Building and Grounds Committees, BHFH Director

2. Strengthening Engagement

2.1. **Strengthen our Structures** for getting work done: Evaluate, articulate, and as much as possible, simplify Board and Corporation committee structures, BHFH staffing structure, and House committee structures/obligations to better align to this Strategic Plan. Seek to change some on-going committees to “working groups” with defined tasks and end dates. More clearly define which committees are required for non-profit Governance functions of the Board, as different from House committees needed to operate program and living in the House. Explore and discern with BHFH if there are ways to overlap some of the Meeting’s committees with BHFH emerging program work, thus simplifying the Meeting’s committee structure as well.

Timing: Starting as soon as possible as we move into implementation of this plan.

Resources needed: The focus of the Board

Who's involved: Board, staff, residents, BHFH at various times.

2.2. **Alumni Engagement:** Strengthen current opportunities for BHFH alumni/ae to engage with BHFH (serve on standing or ad hoc committees, donate to the annual campaign, write articles for the BHFH newsletter, etc.). Create new opportunities for alumni/ae: perhaps establish a local alumni/ae association that would gather for fellowship, provide support for the BHFH Board and staff (an example of which is to make a House meal when the Kitchen Manager is away) and help organize and host alumni/ae reunions.

Timing: Starting as soon as possible.

Resources needed: Time and energy

Who's involved: Development Committee would guide the assembly of an alumnae association that would become self-sustaining and continue this work.

2.3. **Partnership between BHFH and BHFH:** Seek ways for a closer association between BHFH and the Meeting. Perhaps there could be a joint committee; Meeting members might participate in greater numbers at BHFH Work Day; perhaps explore the idea of a joint retreat; also clarify roles and responsibilities for the Holiday Party.

Timing: Starting as soon as possible; getting the idea going by June 2017 when BHFH committee nominations are up.

Resources needed: Time and energy

Who's involved: People who are involved with both BHFH and BHFH in a big way (Lucy, Scott, and others)

- 2.4. **Board Engaged and Involved in Fundraising:** Establish a set of expectations and growth opportunities for BHFH Board members to be active in promoting BHFH’s future vision and Strategic Plan, and inviting others to contribute resources. Create opportunities for Board retreats and/or trainings to foster growth and camaraderie. Board expectations could include a requirement of 100% participation by BHFH Board members in the campaign. Define appropriate role(s) for Corporation members. Involve Board and Corporation members in direct donor solicitations.
Timing: Starting now, and set annual Board goals every year
Resources needed: Time and energy
Who’s involved: The whole Board and Corporation, and Director of BHFH

3. Manage our spending

- 3.1. **Projected Budget:** Establish a process for evaluating our spending and making sure that it is sustainable.
Timing: Starting immediately and finished in time for the fiscal ‘18 budget (June ‘17)
Resources needed: Time and energy
Who’s involved: Finance Committee
- 3.2. **Capital Improvements Planning:** Create a capital plan to track major maintenance expenditures over the next 5-10 years.
Timing: Starting immediately and finished in time for the fiscal ‘18 budget (June ‘17)
Resources needed: Time and energy
Who’s involved: Building and Grounds with the assistance of Finance Committee. We may also seek consulting services from our property manager.
- 3.3. **Risk Management Planning:** Evaluate risks that exist for the organization and make sure that we’re adequately prepared/protected.
Timing: Starting in a year and lasting no more than a year
Resources needed: Time and energy
Who’s involved: Jointly between Finance Committee and Building and Grounds

Conclusion

What will be different because we have committed ourselves to the work of this plan?

Residents who enter the House in 2017 and who are still here in 2020 will have a compelling story of change to tell visitors and potential residents, as will many other people. The story will include more specific and inspired expectations for residents and staff as well as concrete examples of the impact BHFH is having on their own spiritual development and in the world around them. As a result of these inspiring stories of our transformative impact on the community at large, BHFH support and fundraising ability will increase significantly. In short, residents will enjoy a greater sense of purpose, growing spiritually and personally, and the House will thrive as it makes a greater impact in the world through the true embodiment of Quaker values. Beacon Hill Friends House as an organization will grow stronger, allowing us to amplify our impact even further.

BHFH will be a shining beacon of Friends' light in the world, multiplying the value of our actions through synergies with other Quaker and community organizations. BHFH will commit itself to being an ally for those who have been traditionally disenfranchised within and outside of the Boston Community by partnering with other community groups, lobbying at the State House, and supporting our allies, in harmony with Quaker values, faith and practice.

Our stewardship efforts will result in BHFH's being able to sustain the 200-year-old building and its 60 year-old purpose for the needs of today's world. Through active engagement, BHFH will be able to inspire a larger pool of friends for support when planning for the future. Upon approval of this plan, we will launch a \$150,000 campaign that will raise our visibility, increase engagement, demonstrate greater impact, and raise more funds. Over the next three years we will also start the planning process for a major capital and endowment campaign to address the future needs of the building and programs. We will have a forecast of near-term (5-10 year) major expenses, along with a better understanding of the amount we should be setting aside for such expenses each year. We will have a long-range capital budget, with a process for tracking large expenses. This process will enable continuous improvement in our understanding of capital needs. Three years from now, the Board of Managers, Corporation, House Staff and Residents, Beacon Hill Friends Meeting, Friends in general, Alumni/ae, and community supporters will be able to look to the future of BHFH with increased excitement for the work ahead.

In short, Quaker life, learning, leadership, and meaningful social action will thrive here at Beacon Hill Friends House, emanating from our lovingly maintained and beautiful 200-year-old home.

Appendix 1: New Committees for the Beacon Hill Friends House Board

1. The BHFH Quaker Learning Committee

Over the next three years, this committee shall be responsible for helping to implement Strategic Goal #1 of BHFH strategic plan. This includes:

1. Better define the Quaker identity of BHFH
2. Share writing with the Board, BHFH, Quarterly Meeting and NEYM for feedback.
3. Review communications materials for applicants/residents and update them.
4. Create, pilot, and implement a Spiritual Formation Process for residents of BHFH
5. Create, pilot, and implement Quaker learning opportunities open to all at BHFH
6. Work with BHFH Director and new BHFH Program Manager to implement

Name the Quaker gifts in what we do and state them more clearly: The Quaker Learning Committee will work together to articulate and write materials that define Quaker life more explicitly for residents, staff, and guests of the House. Share drafts with Corporation, Board, Beacon Hill Friends Meeting, Quarterly Meeting and Yearly Meeting for input and discussion. Update the Residents' handbook, admission materials, website, and all other print materials.

Create and implement a spiritual formation program for residents: The Quaker Learning Committee will run ideas by residents and get feedback on what would be most helpful, how it should be framed, and how the process might best be structured. They will gather suggested resources and recruit spiritual mentors. Pilot program with interested current residents should be implemented in the first year, make needed adjustments, and implement with all new residents moving forward.

Establish our space as a hub of vital Quaker ideas and learning: by offering opportunities to explore evolving spirituality, ministries and lived Quaker practices, through salons and small groups open to the community and residents. Committee to develop ideas for such programs, seeking input and participation from Quakers and others who would like to be involved. Run a pilot program that could be done with existing resources. Discern size and scope based on feedback and experience and determine what support is needed to sustain a full-scale project.

2. The BHFH Quaker Action Committee

Over the next three years, this committee shall be responsible for helping to implement Strategic Goal #2 of BHFH strategic plan. This includes:

1. Reach out to BHFH and AFSC and others for partnership, ideas, interest, excitement and help in the job search.
 2. Write job description for the Program Manager
 3. Conduct a search for the new position
 4. Become a support committee for the new Program Manager
 5. Attend some of the first trainings or activities organized by the committee and Program Manager
 6. Monitor and evaluate the program outcomes, ensuring that any direct lobbying efforts are less than 20% of the overall budget of BHFH
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1. **Create the position of Program Manager**, who coordinates BHFH's Quaker activism and works to channel the energies of local Quakers, interested residents, partner organizations, legislators, and community members towards social justice through Quaker practices,
 2. Identify and **build partnerships** with Quaker organizations, community groups who are mobilizing, and Boston-based social justice organizations, and
 3. Identify some number of **public policies to influence**. To work toward systemic change, we must also clarify our legislative priorities and then "speak truth to power" by helping to shape our government's public policy agenda in accordance with our Quaker values.

Appendix 2: IRS Rules on Lobbying by 503(c)1 Organizations

<https://www.irs.gov/charities-non-profits/lobbying>

Lobbying

In general, no organization may qualify for section 501(c)(3) status if a substantial part of its activities is attempting to influence legislation (commonly known as *lobbying*). A 501(c)(3) organization may engage in some lobbying, but too much lobbying activity risks loss of tax-exempt status.

Legislation includes action by Congress, any state legislature, any local council, or similar governing body, with respect to acts, bills, resolutions, or similar items (such as legislative confirmation of appointive office), or by the public in referendum, ballot initiative, constitutional amendment, or similar procedure. It does not include actions by executive, judicial, or administrative bodies.

An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or if the organization advocates the adoption or rejection of legislation.

Organizations may, however, involve themselves in issues of public policy without the activity being considered as lobbying. For example, organizations may conduct educational meetings, prepare and distribute educational materials, or otherwise consider public policy issues in an educational manner without jeopardizing their tax-exempt status.

Measuring Lobbying Activity: Expenditure Test

Organizations other than [churches](#) and [private foundations](#) may elect the expenditure test under section 501(h) as an alternative method for measuring lobbying activity. Under the expenditure test, the extent of an organization's lobbying activity will not jeopardize its tax-exempt status, provided its expenditures, related to such activity, do not normally exceed an amount specified in section 4911. This limit is generally based upon the size of the organization and may not exceed \$1,000,000, as indicated in the table below.

If the amount of exempt purpose expenditures is:	Lobbying nontaxable amount is:
≤ \$500,000	20% of the exempt purpose expenditures
>\$500,00 but ≤ \$1,000,000	\$100,000 plus 15% of the excess of exempt purpose expenditures over \$500,000
> \$1,000,000 but ≤ \$1,500,000	\$175,000 plus 10% of the excess of exempt purpose expenditures over \$1,000,000
>\$1,500,000 but ≤ \$17,000,000	\$225,000 plus 5% of the exempt purpose expenditures over \$1,500,000
>\$17,000,000	\$1,000,000

Organizations electing to use the expenditure test must file [Form 5768](#), *Election/Revocation of Election by an Eligible IRC Section 501(c)(3) Organization to Make Expenditures to Influence Legislation*, at any time during the tax year for which it is to be effective. The election remains in effect for succeeding years unless it is revoked by the organization. Revocation of the election is effective beginning with the year following the year in which the revocation is filed.

Under the expenditure test, an organization that engages in excessive lobbying activity over a four-year period may lose its tax-exempt status, making all of its income for that period subject to tax. Should the organization exceed its lobbying expenditure dollar limit in a particular year, it must pay an excise tax equal to 25 percent of the excess.

Additional information

- [Measuring Lobbying: Substantial Part Test](#)
- [Schedule C, Form 990, Political Campaign and Lobbying Activities](#)
- [Instructions for Schedule C](#)

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