

SOUTHEAST LAW INSTITUTE™

A. ERIC JOHNSTON

President
General Counsel

2700 Highway 280, Suite 220 West
Mountain Brook Center
Birmingham, Alabama 35223
Telephone: (205) 879-9220
Facsimile: (205) 879-9229

HARRY O. YATES

Executive Director
Associate Counsel

October, 2000

Dear SLI Supporter:

As we come to the end of another year, we at SLI are very gratified because of the work we have done and the opportunity we have had to serve others. We are thankful for your spiritual and financial support.

We have kept you informed throughout the year of our efforts. Our memo this month is a litigation update. It addresses issues which are the very essence of SLI's being, *viz.*, religious freedom and parental rights. Our other most important area, the sanctity of life, will be addressed again when we open the year with our legal support for pro-life legislation.

(We need to give information on our percentage of support, whether up or down, and make some favorable comments concerning that.)

Asking for financial support is not something that comes natural for most of us. However, we are not embarrassed to boldly ask for your financial support since it goes directly to the expense of our being here to assist others without charge in the many and varied problems which they have, both individuals, churches and religious organizations, concerning their religious freedom, their fundamental rights and to protect the sanctity of all human life. As you know, contributions to SLI are tax deductible and if you make them by December 31, 2000, they will be deductible for this past year. Therefore, we urge you to be as generous as possible. If we had the funds, we could spend all of our time working on these issues. We would gladly do that. Until when and if that is God's will, we covenant with you to do all that we can.

Finally, continue to pray for our efforts. Call us if you have any questions or know of anyone who needs problems. On behalf of the Southeast Law Institute, we are,

Yours Very Truly,

A. ERIC JOHNSTON

Yours Very Truly,

HARRY O. YATES

AEJ/jsg

AN EDUCATIONAL MEMO FROM THE SOUTHEAST LAW INSTITUTE, INC.

From: A. Eric Johnston

Date: October, 2000

Re: Political, Legislative, and Campaign Activities by Individuals, Churches, and Non-Profit Organizations

INTRODUCTION

Each year, the Alabama Legislature is in session for a certain number of days, usually February to May. Normally, legislative days are Tuesdays and Thursdays with committee days on Wednesdays. The U. S. Congress is in session each year, with certain periods when it is out of session, such holidays, periodic recesses and other times. Campaigns for political office occur on a rotating basis from the local to the national level. Generally, such campaigns occur every other year for offices such as U.S. Congress, every four years for president or governor, and other terms up to six years, such as U. S. Senator.

Questions are often asked to what extent individuals, churches, and non-profit organizations may be involved in political and elective processes. Although the Alabama legislative session is winding down to the end of May, there will be continued activities in the U.S. Congress, and party primaries will take place in June with general elections in November of this year.

INDIVIDUAL ACTIVITIES

Individuals may be involved in legislative, executive, and election processes. In Alabama, a person must be 19 years of age to vote. However, younger persons may be involved in the other activities. It is the right, in fact the duty, for citizens to petition their government for redress of their grievances.

CHURCHES AND NON-PROFIT ORGANIZATIONS

Churches are usually classified for tax purposes as tax-exempt, similar to other non-profit organizations. Churches are not required (but may) to file for and receive tax-exempt status from the Internal Revenue Service, though separate organizations with a religious, educational, scientific or other such purpose must. Churches and such organizations are classified as section 501(c)(3) organizations. This means they are publicly supported and the contributions are not taxable to the organization and are deductible to the contributor.

However, such organizations have certain restrictions on political and campaign activities. There are other types of non-profit organizations such as section 501(c)(4) organizations which may lobby without restriction, but its contributions are not tax-deductible.

Restrictions on churches and other section 501(c)(3) organizations are fairly simple. Though there is not a specific regulation, the IRS observes court rulings that allow amounts to be spent on lobbying of up to 5% of the organization's gross receipts. For example, if a church has gross receipts of \$1 million, it may send up to \$50,000 on lobbying activities. This should provide comfort that some amount of lobbying activity is permitted.

On the other hand, concerning campaigns for candidates seeking political office, churches and other section 501(3)(c) organizations are specifically prohibited from participating in any such campaign either for or against a candidate. This does not preclude them from providing neutral, unbiased, factual information to members or supporters, such as a properly prepared voting record, legislative score card, or similar document.

There are many issues that affect churches and organizations and for which they should be concerned, *viz.*, abortion, religious liberties, education, and other legislation dealing with moral or foundational issues. Just as with individuals, churches and organizations have a duty to respond in the political process to those things which are important. Paraphrasing Dr. D. James Kennedy, "We must participate or otherwise will be confining ourselves to a 'stained glass ghetto.'"

CONCLUSION

The purpose of this memo is to encourage the involvement that is protected by the free speech and free exercise clauses of the Constitution. There may be questions and if so, we encourage you to contact **SLI** for additional information. We will provide general information as may be appropriate, or refer you to a cooperating attorney if you have specific problems or questions. We encourage churches and non-profit organizations to respond in the "public square" of opinion, but to avoid involvement in political campaigns.

This statement is for educational purposes only. It is not intended to provide legal advice. We hope if you have questions or know of those who do, you will contact us and we can assist through referral to one of our cooperating attorneys.

The Southeast Law Institute, Inc., 2700 Highway 280, Suite 320, Birmingham, AL 35223, (205) 879-9220