

## Nonpartisan, Nonprofit, Tax-exempt, 501(c)(3), etc.

These terms are confusing for most of us. This paper is an attempt to make them clearer for LWV Aurora Area chapter members. We want to partner with other, similar organizations and understanding what these terms mean will help us figure out which those are. *Please note that whether an organization is nonpartisan or not, nonprofit or not, etc. is not a value judgment; its status simply is what it is.*

**Nonpartisan:** The Illinois and U.S. Leagues are nonpartisan organizations. Our chapter is also nonpartisan and we have a policy about this. Our policy is designed to ensure that we continue as nonpartisan – both in reality as well as in the perception of those outside the League.

Being nonpartisan means being free from any political party designation, bias, or affiliation. In other words, nonpartisan organizations don't support or oppose any political party or any candidate for any office.

It's not always easy to tell whether an organization is nonpartisan. Here's a shot from the website for an Indivisible group. Note that it doesn't say they are partisan – but there is a reference to defeating “the Trump agenda.” Clearly this is a partisan organization.



### Join the Movement

The Indivisible Project's mission is to cultivate a grassroots movement of literally thousands of local Indivisible groups to elect progressive leaders, realize bold progressive policies, rebuild our democracy, and defeat the Trump agenda.

Ready to get started? Sign up today for the latest updates on ways to take action, and how you can to hold your members of Congress and the Trump administration accountable. Together, we'll continue to build progressive power and save American democracy.

  

**Nonprofit:** The Illinois and U.S. Leagues are also nonprofit organizations. This is a designation under **state** law for entities that apply and qualify for this status. They then generally are required to put all monies that are in excess of their expenses back into the organization; they cannot pay dividends as for-profit companies generally do. (A common misconception about nonprofit business organizations is that they cannot

make a profit; they can make a profit, but they can't pay any part of that profit to owners as dividends.)

**Tax-exempt:** This is a **Federal** designation for those **nonprofit** organizations that have applied for and meet the strict requirements of the applicable section of the Internal Revenue Code under which they qualify, and whose conditions they must satisfy. Having tax-exempt status means that they do not pay any Federal income tax.

Section **501(c)(3)** – “c3” for short – is perhaps the most well-known of these sections of the Code. Having c3 status is the highest level of tax-exemption, as it permits donors to these organizations to claim a deduction on their personal income tax returns.

The three types of organizations that qualify for c3 status are public charities (this is the most common type, and includes churches and nonprofit hospitals), private foundations, and private operating foundations.

The American Association of University Women (AAUW) is a public charity c3 organization, per its website.

Since its first meeting in 1881, AAUW has been a catalyst for change. Our nonpartisan, nonprofit organization has more than 170,000 members and supporters across the United States, as well as 1,000 local branches and over 800 college and university partners. Throughout our history, AAUW members have examined and taken positions on the fundamental issues of the day — educational, social, economic, and political. This online collection of AAUW milestones tells the story of AAUW's important role in women's history.

AAUW is a top-rated 501(c)(3) charity.  
Donations are tax deductible.  
Tax ID#: 52-6037388



In return for not paying any Federal taxes, c3 organizations are required to keep their lobbying and legislative activities at an “insubstantial” level. They may educate but are

**strictly forbidden** from intervening in political campaigns or endorsing/opposing any candidates for public office. They also cannot make any payments to individuals, or for their benefit, which could be characterized as anything other than fair payment for services rendered or goods provided.

The education fund of the Illinois League is a c3 organization; donations to it are tax deductible. There are Leagues chapters around the country that are c3 organizations, although none are in Illinois to my knowledge.

Most League chapters are tax-exempt under Section **501(c)(4)**, generally called social welfare organizations. These entities may engage in political lobbying and campaign activities. The LWVUS, LWVIL, and the National Rifle Association (per its website) are all c4 organizations.

The Indivisible organization is a c4 per its website, as well as being partisan:

The **Indivisible** Project (or **Indivisible**) is a left-of-center 501(c)(4) tax-exempt organization headquartered in Washington, D.C., and created in late 2016 as a response to the election of President Donald Trump.

Tax-Exempt Status: 501(c)(4)

Tax ID: 81-4729362

Founders: Ezra Levin Leah Greenberg

Formation: 2016

[The Indivisible Project \(Indivisible\) - Influence Watch](#)

Here's a **TEST** for you. Take a look at a portion of the Aurora Regional Chamber of Commerce website, below. Is this Chamber nonpartisan? Nonprofit? Tax-exempt?

## *About the Aurora Regional Chamber of Commerce*

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### *Mission, Vision & Values*

#### **Our Mission**

The Aurora Regional Chamber of Commerce — a membership-driven association — shall serve as a catalyst for business development in the Aurora region.

#### **Our Vision**

Catalyst for Business Success

#### **Our Values**

Professionalism: We exhibit the attributes of highly regarded professionals; we offer talent and expertise for the betterment of our region and profession.

Leadership: We remain true to our role as the business leader in our region and a model for others. We use our influence properly to ensure relevance of our organization and the continued success of our region.

Advocacy: We advocate on behalf of our members for a fair and equitable environment of free enterprise that empowers our business community toward success.

Collaboration: We welcome opportunities for cooperation and inclusion in our community. We work toward a common vision.

Engagement: We create opportunities for involvement and listen to our members' need

**Please direct any questions that come up about these issues to our chapter board.**

May, 2019  
Carol Tidwell  
LWV Aurora Area