

Chuck Hassebrook for Governor: How Former 501(c)(3) Colleagues Can Show Support

This summer I worked at the Center for Rural Affairs (CFRA), whose executive director is now running for Governor in Nebraska.¹ Since my position ended, the executive director, Chuck Hassebrook relinquished his position of seventeen-years.² This made me wonder what statements my former colleagues could make to support Mr. Hassebrook. I found that the people at CFRA can support Mr. Hassebrook when speaking in their personal capacity.

CFRA is a rural advocacy group committed to “[e]stablish strong rural communities, social and economic justice, [and] environmental stewardship[.]”³ The organization has 30,000 non-voting members. The organization had five-million dollars of revenue in 2012.⁴ Moreover, the organization saved one million dollars last year, to bring its total assets to \$3,707,473.⁵

I started my legal analysis by looking at the two classes of political activity that can jeopardize a 501(c)(3)’s tax exempt status.⁶ One class of activity is participation “in any political campaign on behalf of or in opposition to any candidate for public office.”⁷ The other class of activity is an organization’s committing “a substantial part of its activities to influence legislation.”⁸ This paper will focus on the first activity, participation in political campaign.

The leaders of the CFRA organization cannot endorse Mr. Hassebrook when they are acting as representatives of the organization. According to *Rev. Rul. 2007-41*, organizational

¹ Jamie Horter, *Chuck Hassebrook announces run for governor*, Lyons Mirror-Sun (June 6, 2013) http://www.enterprisepub.com/burtcounty/news/chuck-hassebrook-announces-run-for-governor/article_e4ff00d0-cee2-11e2-a845-001a4bcf6878.html.

² Jamie Horter, *Depew Becomes Executive Director at Center for Rural Affairs*, Lyons Mirror-Sun (September 11, 2013) http://www.enterprisepub.com/burtcounty/news/depew-becomes-executive-director-at-center-for-rural-affairs/article_97e4d16c-1b18-11e3-9eef-001a4bcf6878.html.

³ Center for Rural Affairs, *Our Mission and Our Values*, Available at: http://www.cfra.org/about/values_mission

⁴ Center for Rural Affairs, 2012 Form 990, available at:

<http://www.guidestar.org/FinDocuments/2012/470/553/2012-470553823-09005c4e-9.pdf>

⁵ *Id.*

⁶ See Claudia Kelley and Douglas Roberts, *Ban on political activities: An election-year warning for charities*, Journal of Accountancy (September 2013) <http://www.journalofaccountancy.com/Issues/2012/Sep/20125671.htm>.

⁷ 26 CFR 1.501(c)(3)-1(c)(3)(ii).

⁸ 26 CFR 1.501(c)(3)-1(c)(3)(i).

leaders cannot make partisan statements in the organization's media or at the organization's events.⁹ Additionally, partisan statements made by employees under the purview of leadership may be ratified by the organization if leadership does not disapprove the statements and does not take steps to limit similar behavior in the future.¹⁰ Lastly, CFRA resources cannot be used to make partisan statements, even if it is clear that the statements are made in a personal capacity.¹¹

Those officially associated with the CFRA may endorse Hassebrook when they are acting in a personal capacity and do not appear to be acting on behalf of the organization. According to *Rev. Rul. 2007-41*, leaders of an organization may identify their association and title with the organization when making partisan statement in third party media or at third party events, but only when the statements are (1) not funded by the organization, and (2) made in the speaker's personal capacity. Further, it would be wise to disclaim that partisan statements are made in a personal capacity and not an opinion held by the organization.¹²

Thus, the general rule is individuals associated with CFRA may express their partisan views so long as they are speaking in their personal capacity. Moreover, CFRA leaders and employees should feel free to use social media to explain why Hassebrook is the best gubernatorial candidate—provided they are (a) not on a CFRA computer and (b) not using a CFRA account.

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⁹ *See id.* (Citing Rev. Rul. 2007-41).

¹⁰ *Id.*

¹¹ Jeffrey Tenenbaum, *Top Ten Myths about 501(c)(3) Lobbying and Political Activity*, ASAE (May 2012) <http://www.asaecenter.org/Resources/whitepaperdetail.cfm?ItemNumber=12202>.

¹² *Id.*