

League of Women Voters of Metropolitan Tulsa  
Proposal to Convert to a Single-Entity 501(c)(3) Organization

Historically most Leagues have qualified as tax exempt organizations under §501(c)(4) which provides rules for civic leagues. Most state Leagues and larger local Leagues have formed a sister Education Fund entity qualified under §501(c)(3), the League of Women Voters of Metropolitan Tulsa established a §501(c)(3) Education Fund in 1985 and continued with its original §501(c)(4) organization for membership and operations.

At meetings in the fall of 2016 LWVMT board and the Education Fund trustees discussed the transition to a single-entity §501(c)(3) organization. The LWVMT board voted to adopt this change at its May 15, 2017 meeting. The Education Fund trustees voted to adopt this change at its March 28, 2017 meeting.

Some relevant differences between §501(c)(4) and §501(c)(3) organizations:

- There is no limit on the lobbying activities of a §501(c)(4) whereas a §501(c)(3) lobbying activities cannot constitute a substantial part of its overall activities.
- Contributions and member dues are generally deductible for donors and members of a §501(c)(3) but are not for a §501(c)(4)

The ability to conduct both advocacy and lobbying activities is very important to League members. There is no limitation at all on pure advocacy (does not involve specific legislation or ballot measures) under either a §501(c)(3) or §501(c)(4). If a §501(c)(3) makes an §501(h) election, the measurement of lobbying for the substantial test is based on dollars rather than time spent. The threshold for the substantial test would not be met unless expenditures exceed 20% of the League's annual budget. The board members who have reviewed the budget and activities of the §501(c)(4) and §501(c)(3) are confident that the League's advocacy and lobbying would not exceed the 20% limitation.

Advantages of converting our dual-entity structure to a §501(c)(3)

- Membership dues and donations are tax deductible
- Greater opportunity to obtain grants from agencies and foundations
- Going from two to one entity will reduce administration burden
- More efficient board structure – one board instead of two

The board had access to an excellent resource in a guide prepared by Thomas Carson, an attorney, who participated in the conversion of the State and several local Leagues in California. For members interested in learning more about the §501(c)(3) conversion, a link to the entire document is available on the Annual Meeting page at [lwvtulsa.org](http://lwvtulsa.org).

Because the League of Women Voters of Metropolitan Tulsa is a membership organization this transition to a §501(c)(3) organization must be given approval by the membership at its annual meeting. A discussion and vote on the proposed conversion will be the first items on the agenda at the 2017 annual meeting.