

# **Avoiding drama in the 501(c) family**

**Managing relationships between  
charities, social welfare organizations,  
labor unions and business leagues**

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## **Agenda**

- Overview of 501(c) organizations:
  - 501(c)(3) organizations
  - 501(c)(4) organizations
  - 501(c)(5) organizations
  - 501(c)(6) organizations
- Operational rules
- Managing drama

## **Overview of 501(c)(3) organizations**

- Organized and operated “exclusively” for 501(c)(3) purposes:
  - E.g., charitable, scientific, educational
- Not organized for profit or primarily engaged in for-profit activity
- No violation of public policy
- Insubstantial private benefit, if any
- No inurement

3

## **Overview of 501(c)(3) organizations (cont'd)**

- No substantial lobbying activities
- No political campaign activities
- Assets distributed for 501(c)(3) purposes on dissolution
- Contributions to 501(c)(3) organizations are tax deductible as charitable contributions

4

## **Overview of 501(c)(4) organizations**

- Must primarily further social welfare, the common good and general welfare of the community
- Not organized for profit
- Not primarily engaged in for-profit activity or providing benefits to private groups
- No inurement

5

## **Overview of 501(c)(4) organizations (cont'd)**

- Unlimited lobbying in furtherance of exempt purpose
- Some political campaign activities so long as they, along with other non-exempt activities, are not primary
- Contributions to 501(c)(4) organizations are not tax deductible as charitable contributions

6

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## Title search: Avoiding Drama in the 501(c) Family: Managing Relationships Between Charities, Social Welfare Organizations, Labor Unions, and Business Leagues

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