MEO is a 501(c)(3)

501(c)(3) exemptions apply to corporations, and any community chest, fund, cooperating association or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals. There are also supporting organizations which are often referred to in shorthand form as “Friends of” organizations.

Another provision, 26 U.S.C. § 170, provides a deduction, for federal income tax purposes, for some donors who make charitable contributions to most types of 501(c)(3) organizations, among others. Regulations specify which such deductions must be verifiable to be allowed (e.g., receipts for donations over $250). Due to the tax deductions associated with donations, loss of 501(c)(3) status can be highly challenging to a charity’s continued operation, as many foundations and corporate matching programs do not grant funds to a charity without such status, and individual donors often do not donate to such a charity due to the unavailability of the deduction.

Political activity
Section 501(c)(3) organizations are prohibited from supporting political candidates, and are subject to limits on lobbying. They risk loss of tax exempt status if these rules are violated. An organization that loses its 501(c)(3) status due to being engaged in political activities cannot then qualify for 501(c)(4) status.

Elections
Organizations described in section 501(c)(3) are prohibited from conducting political campaign activities to intervene in elections to public office. The Internal Revenue Service website elaborates upon this prohibition as follows:

Under the Internal Revenue Code, all section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

Certain activities or expenditures may not be prohibited depending on the facts and circumstances. For example, certain voter education activities (including presenting public forums and publishing voter education guides) conducted in a non-partisan manner do not constitute prohibited political campaign activity. In addition, other activities intended to encourage people to participate in the electoral process, such as voter registration and get-out-the-vote drives, would not be prohibited political campaign activity if conducted in a non-partisan manner.

On the other hand, voter education or registration activities with evidence of bias that
(a) would favor one candidate over another;
(b) oppose a candidate in some manner; or
(c) have the effect of favoring a candidate or group of candidates, will constitute prohibited participation or intervention.

The Internal Revenue Service provides resources to exempt organizations and the public to help them understand the prohibition. As part of its examination program, the IRS also monitors whether organizations are complying with the prohibition.

Lobbying
In contrast to the prohibition on political campaign interventions by all section 501(c)(3) organizations, public

charities (but not private foundations) may conduct a limited amount of lobbying to influence legislation. Although the law states that “No substantial part…” of a public charity’s activities can go to lobbying, charities with large budgets may lawfully expend a million dollars (under the “expenditure” test), or more (under the “substantial part” test) per year on lobbying.[39] To clarify the standard of the “substantial part” test, Congress enacted §501 (h) (called the Conable election after its author, Representative Barber Conable). The section establishes limits based on operating budget that a charity can use to determine if it meets the substantial test. This changes the prohibition against direct intervention in partisan contests only for lobbying. The organization is now presumed in compliance with the substantiality test if they work within the limits. The Conable Election requires a charity to file a declaration with the IRS and file a functional distribution of funds spreadsheet with their Form 990. IRS form 5768[40] is required to make the Conable election.