

Questions & Answers on Church Campaign Activities

Can a church participate in the ballot question campaign to oppose human embryonic stem cell research?

Yes. Both the Internal Revenue Code (which regulates the tax exempt status of churches) and the Michigan Campaign Finance Act (which regulates the referendum campaign) permit church participation in campaigns.

What kind of church activity is permitted?

Any referendum campaign activities that are incidental to the religious objectives of a church are permitted, including:

- Sermons or comments by a pastor or minister during regular church services.
- Statements on the referendum in church bulletins or newsletters.
- Collection of contributions for the committee using the committee's solicitation envelopes during services.
- Distribution of the committee's solicitation envelopes during services.
- Direct contributions from the church general funds provided the church has not asked members to give to the church general fund for this referendum. Please note: If the church directly solicits or receives over \$500 for the purpose of giving these funds to the committee, the church must register to form a ballot question committee. Therefore, all funds should be given directly to the committee by individuals, not through the church.
- Mailings to church members regarding the referendum.
- Use of church facilities for meetings.

Are there limits on church participation in the campaign?

Yes. While the Michigan Campaign Finance Act places no limits on church activity, the Internal Revenue Code requires that church involvement in the referendum (and other issue lobbying activity) not exceed an "insubstantial amount" of a church's total expenditures for religious purposes during the year. Incidental church activity of 1% or less of a church's total budget should not affect the tax exempt status of a church.

For example:	Total Church Budget	1% Level of Incidental Expenses*
	\$250,000.00	\$2,500.00
	\$500,000.00	\$5,000.00
	\$750,000.00	\$7,500.00

*Includes such items as value of portion of minister's salary, printing and mailing costs, rental value of church facilities used for meetings, etc., and all direct contributions.

Do we have to count the value of church members' time?

No. Volunteer efforts of individual church members during or after church services are not considered expenditures by the church and do not count toward the "insubstantial amount" limit.

Where can we get additional information?

Additional information regarding the Michigan Campaign Finance Law can be obtained from the Elections Division, Michigan Department of State, telephone 517-373-2540. The legal authority for church involvement in ballot question campaigns is the Campaign Finance Act, MCLA 169.201 et seq. The applicable IRS regulations are IRC Reg. Section 1.501(c)(3) and 170(c)(2).

NOTE: This document does not provide legal advice to any church. Each church should seek independent legal advice regarding church involvement in the referendum campaign.