

Adopted June 21, 2020

GCC Policy on Political Statements and Activism

Dear GCCers!

In response to questions from various GCC chapters, the GCC Global Team and the Board of Trustees have issued this Policy Letter outlining and clarifying the organization's pre-existing positions on Political Statements and Partisan Activism by GCC entities.

v 1.1

Entry into force 24 June 2020

Basis for Policy:

Global China Connection ("GCC") is at its core an organization founded on principles of academic freedom, and encourages a robust and open exchange of ideas and a fearless exploration of controversial and serious topics involving China and its relationship with the world. GCC is a platform, an open forum wherein no idea or discussion is "off limits" and whereby our chapters are encouraged to freely engage with complex issues. It is precisely this open and unwavering embrace of academic freedom that continues to set GCC apart from similar organizations focused on China.

In order to serve as a truly open platform, however, GCC *must* remain steadfastly non-partisan and non-aligned to specific political ideologies, movements, candidates, parties, causes, or campaigns. Non-partisanship has been a key pillar of GCC's governance since its founding. As an organization that exists *for the sole and specific purpose* of enabling dialogue and connections between people from different nations and cultures, which often have conflicting interests, non-partisan neutrality is not simply a matter of convenience, it is fundamental to the success of GCC as a project.

We recognize the difficulty that chapters and other GCC entities face in maintaining political neutrality in a world that can feel increasingly polarized, where we are told that we must "pick a side" or face social sanction. To do so even once, however, would constitute a default against our non-partisan principles—even if such a position is politically expedient and popular at that moment—and would forever thereafter leave GCC vulnerable to temporal political and ideological forces, which would be particularly harmful now, as China and the West appear to be heading towards further economic and political conflict for the foreseeable future.

Beyond the general principles of nonpartiship outlined above, there are several important legal considerations behind this policy:

1. Compliance with Federal Tax Regulations

Global China Connection exists as a 501(c)(3) non-profit corporation, incorporated in Washington, DC. This nonprofit corporation ultimately retains ownership of the GCC brand identity, logo, and other intangible assets. US Federal tax regulations specifically prohibit tax-exempt 501(c)(3) organizations from participating in partisan political campaigning or advocacy.¹ United States Internal Revenue Service (IRS) guidelines specifically state:

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.

While we note that the IRS guidelines offer some leeway for general advocacy and voter education, the guidelines also state:

[A]ctivities 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.

As a long-standing policy, GCC broadly takes a defensive, conservative tax posture—as is appropriate for a nonprofit organization of our size. As such, GCC interprets these IRS guidelines so as to best remain compliant with all applicable federal and state tax laws, in order to fulfil our fiduciary obligations to GCC’s stakeholders. While it is possible to argue that certain controversial causes and campaigns are “nonpartisan” in a legal or technical sense, supporting said campaigns and causes could expose GCC to IRS audit and/or investigation, which would represent a costly reputational and financial blow to the organization, even if our arguments were ultimately accepted by the IRS.

2. International Operations

GCC has operations all over the world in jurisdictions including, but not limited to, the United States, Canada, Singapore, Germany, New Zealand, and the People’s Republic of China. Each of these jurisdictions has different regulations governing non-profit organizations. While the bulk of GCC’s operations take place in the United States, the organization envisions a continued and robust international expansion, which will require compliance with local regulations across a wide variety of tax jurisdictions. As is

¹<https://www.irs.gov/charities-non-profits/charitable-organizations/the-restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations#:~:text=Under%20the%20Internal%20Revenue%20Code,candidate%20for%20elective%20public%20office.>

standard practice for international organizations, GCC will adopt a policy that seeks to proactively comply with all applicable laws and regulations by taking a conservative interpretation of its regulatory burden.

3. Operations in Mainland China

In April 2016, China adopted the Law of the People's Republic of China on Administration of Activities of Overseas Nongovernmental Organizations in the Mainland of China, commonly known as the NGO Law, which took effect on January 1, 2017.² It is probable that Mainland Chinese authorities could regard GCC as an NGO based on its status as a foreign-incorporated non-profit organization with operations in China. While our operations in Mainland China have decreased since the NGO Law took effect, we hope to continue with our reduced operational footprint in Mainland China while remaining in compliance with the NGO Law.

As such, GCC draws on its reputation as a non-partisan, education-oriented organization dedicated to cultural exchange and discussion of topics broadly relating to China. Attempts to align GCC with support for a specific political or social cause, therefore, undermine these efforts and endanger GCC's operations in Mainland China.

Overview of Policy in Practice:

This policy should **not** be interpreted as a preference for avoiding controversial political and social topics altogether. On the contrary, GCC strongly *encourages* such discussions and events; topics in international affairs and politics have been a staple of GCC programming at the chapter level and organization-wide since our founding. We have always granted, and shall continue to grant, considerable autonomy to our chapters, especially with respect to their programming and events.

Perhaps the sole rule for any GCC entity—which has always been enforced when necessary—is that GCC and its chapters must not “take a side” in such events and debates. GCC exists as a platform for debate and exploration, not as a force for advocacy, no matter how controversial or polarizing the topic. To that end:

1. Chapters and other GCC entities must not disseminate any content on an official GCC social media account, or through other channels used specifically for GCC purposes, that could be reasonably construed as political activism or partisanship.
2. The GCC name and logo must never be used for or attached to partisan political content or messages of advocacy for specific ideologies, movements, candidates, parties, causes, or campaigns.

² <https://www.chinafile.com/ngo/laws-regulations/law-of-peoples-republic-of-china-administration-of-activities-of-overseas>

3. Chapters and other GCC entities must never endorse (or condemn) specific candidates for office.
 - a. This policy specifically does *not* restrict activities surrounding university-level races for student government or equivalent university programs, so long as they are not affiliated with a national political party.
 - b. This policy should also not be construed as restricting or discouraging GCC chapters from hosting events featuring current candidates who are actively campaigning for political office. In fact, such events are encouraged—so long as the event is not meant as an endorsement, rally, or fundraising platform for said candidate. When holding such events, organizers must include open Q&A and discussions where different points of view can be exchanged, in order to be in compliance with GCC policies.
4. GCC officers and members (including members of the Global Team and the Board of Trustees) are prohibited from endorsing or advocating for specific ideologies, movements, candidates, parties, causes, or campaigns *while acting in their official capacity as an officer of GCC*.
5. GCC officers and members—and anyone else, for that matter—are of course free to engage in political and social activism and advocacy **when not acting in an official GCC capacity or using GCC platforms and channels**.

Consequences of Noncompliance

Though GCC is a volunteer organization, Central Management and the Board of Trustees retain the ability to sanction chapters or individual members for continued noncompliance with this policy, particularly if noncompliant activity continues to occur despite explicit instructions from Central Management and/or the Board of Trustees. If a chapter is found to have violated the policy:

1. A representative of Central Management and the Board of Trustees will attempt to make contact with the noncompliant chapter and its leadership, and will issue a formal, written notice laying out the evidence of a violation. The chapter in question will then have an opportunity to respond to the notice, and may choose to dispute the findings.
2. Representatives of the Chapter and Central Management will discuss the situation and decide an appropriate plan of action for bringing the chapter back into compliance and mitigating future noncompliance.
3. Central Management will issue an internal memo outlining the incident and its resolution.

Continued noncompliance and willful violation of this policy following Central Management intervention may result in any or all of the following sanctions, per the discretion of Central Management and the Board of Trustees:

1. Written warning issued to chapter and chapter leadership;
2. Reduction or elimination of funding the chapter may receive from Central Management;
3. Blocking chapter from participating in certain GCC-wide events, such as Annual Summit;
4. Delisting and expulsion of chapter from GCC organization

Additionally, under extreme circumstances, if a chapter's conduct is illegal, particularly unethical, or threatens the overall success of GCC organization-wide, Central Management may seek injunctive relief through the courts or whatever other mechanism is available.

Example Scenarios

1. GOOD: GCC Chapter holds a panel discussion on "racism in China" or "racism facing Chinese students in America."
2. BAD: GCC Chapter holds a rally or event specifically for the purpose of condemning a political candidate or institution, wherein GCC is participating in advocacy.
3. GOOD: GCC Chapter hosts a current candidate for political office, who speaks about Chinese trade policies and takes questions from the audience. Said candidate should be advised to avoid calling upon the audience to vote for him/her. GCC itself does not take a position on said candidate.
4. BAD: GCC Chapter hosts an event specifically dedicated to rallying support for a specific candidate, especially if such an event involves fundraising.
5. GOOD: GCC Chapter partners with university's College Democrats or College Republicans chapter in order to host a large scale event (such as a well known, famous politician) which the GCC chapter does not have the resources to host on its own. HOWEVER, co-sponsorship with these groups must stipulate an understanding that the event is non-partisan in nature.
6. BAD: GCC Chapter president (or other officer) signs a petition advocating for a specific political or social cause, writing "GCC President" or other GCC title on the petition along with their name, giving indication that GCC itself endorses the petition.

7. BAD: GCC Chapter president (or other officer) sends an email or letter to another party or publication advocating for a political or social cause, while using their GCC email address, with their GCC position in the email signature, or with GCC letterhead.
8. GOOD: GCC Chapter hosts an extremely controversial political figure who is directly involved in trade negotiations between China and the US (or an equally controversial figure such as a Chinese political dissident) as a speaker or as part of a panel, but allows for a public Q&A period, and makes it clear in some way that said individual does not represent the views of GCC.

For any questions or concerns regarding this policy, please email: compliance@gccglobal.org