

Practices & Industries

Tax Exempt Organizations & Charitable Giving

Overview

Over the past decade, the landscape has dramatically changed for both tax-exempt organizations and their supporters. An increase in access to information has made compliance for tax-exempt organizations more important than ever, as members of the public and press, donors, regulators, and legislators are easily able to scrutinize operations. Donors are looking for more impact from donations, and tax-exempt organizations are expected to be sophisticated in their business operations and financial management, in some cases seeking more creative sources of revenue by participating in complex transactions that require thoughtful legal advice.

Our Tax-Exempt Organizations and Charitable Giving team collaborates with other Day Pitney practice groups to advise on contractual matters; corporate governance; mergers, acquisitions and affiliations; employment matters; governmental regulation, including healthcare regulations; intellectual property issues; environmental issues; international issues; real estate transactions; litigation and tax; among other matters. Most important, with more than 90 lawyers in our Trust and Estates practice group, we routinely advise our private clients on charitable giving, so we have a considerable knowledge of how both donors and organizations work. As a result, entities such as business and industry associations, schools, hospitals, religious organizations, social clubs, museums, healthcare organizations and private foundations turn to Day Pitney for advice on unique challenges, tax requirements and everyday regulatory advice needed to manage complex operations.

Regardless of the type of tax-exempt entity, we offer a legal risk assessment. This assessment would likely include a review of the governing documents, director and officer liability, tax and regulatory filings, investment policies, maintenance of exempt status, employee policies (including nondiscrimination policies), financial policies aimed at loss prevention, and conflict of interest policies, as well as a review of insurance coverage. The result is a written report advising the board.

In addition to our work for our clients, the attorneys in our Tax-Exempt Organizations and Charitable Giving group serve through leadership and volunteer positions in a large variety of community organizations. This service provides us with firsthand knowledge of the challenges facing the nonprofit sector today. Some of the organizations we serve include the Stamford Museum & Nature Center; Fairfield County's Community Foundation; Save the Children; Union Club of Boston; Maynard Masonic Corp in Concord, MA; The First Parish in Sudbury, MA; Goodnow Library Foundation Inc. in Sudbury, MA; Massachusetts National Guard; Green Hill, a New Jersey not-for-profit long-term care facility; The Boston Foundation; Susan F. Smith Center for Women's Cancers; the New Jersey Youth Chorus; and the Dana-Farber Cancer Institute in Boston.

Experience

No aspect of this advertisement has been approved by the highest court of any state. Prior results do not guarantee a similar outcome.

- Established a U.S. organization that has full control over the use of its donations and whose mission permits support of a foreign charity, with the result that donations to the U.S. organization are fully tax-deductible for individual U.S. donors.

- Developed protocols for the board and staff of a large 501(c)(4) organization and provided training sessions to assist the organization in understanding and applying the rules of lobbying activities.
- Drafted and negotiated construction contracts and assisted a local food bank with obtaining grants, building permits, and approvals and in coordinating architectural and engineering services.
- Assisted a private school in establishing gift agreements for lifetime gifts and bequests to qualify for the matching grant after being offered a challenge grant from a local philanthropist for irrevocable pledges made for a scholarship fund to support affordability for middle-income families.
- Represented a tax-exempt entity before the Internal Revenue Service (IRS) and negotiated a correction to its 403(b) annuity retirement plan with the IRS under the applicable correction program.
- Advised a compound for aspiring composers on farmland in northern New York on alternative charitable business structures and on documentary, procedural, compliance and other logistical aspects of establishing and running the compound.