

Spring/Summer 2014



## Nonprofit News

### Carefully Review Creation and Composition of Your Executive Committee

By Warren J. Casey

Nonprofit organizations often have sizable boards of trustees, reflecting their wish to have significant contacts in the community and in the corporate world, as well as to have available a breadth of experience. Most nonprofit boards also have an Executive Committee, consisting of a smaller number of trustees who act on behalf of the full board. However, as often as not, the Executive Committee may have been informally established over time without necessarily following the formalities required under state corporate law or the organization's governing documents.

[Read more](#)

### IRS Will Revise Proposed Regulations for 501(c)(4) Organizations

By Jennifer M. Pagnillo

In November, the Internal Revenue Service and the Treasury Department released proposed regulations regarding permissible political activity for Section 501(c)(4) organizations – those that are required to have social welfare as a primary purpose. [Read more](#)

### Background Check Guidance Issued by the EEOC and FTC

By Daniel L. Schwartz and Basil C. Sitaras

In March, the Equal Employment Opportunity Commission (EEOC) and the Federal Trade Commission (FTC) issued new guidelines regarding the interplay between federal antidiscrimination laws, the Fair Credit Reporting Act (FCRA), and background checks. According to the guidelines, employers are reminded that although they may ask questions about an individual's background or require a background check, they are prohibited from doing so with respect to medical and genetic information, including family medical history. In the case of medical background, employers should not delve into this area before making a conditional job offer, and they may inquire only if there is objective evidence that the prospective or current employee is unable to perform the job's duties and responsibilities, or if the individual poses a safety risk. [Read more](#)

[Learn more about Day Pitney's practices](#)

For more information, please contact any of the individuals listed below:

**Warren J. Casey**<sup>NJ</sup>

[wcasey@daypitney.com](mailto:wcasey@daypitney.com)

(973) 966 8025

**Peter Chadwick**<sup>CT, CA</sup>

[pchadwick@daypitney.com](mailto:pchadwick@daypitney.com)

(860) 313 5757

**Jennifer M. Pagnillo**<sup>CT, NY</sup>

[jmpagnillo@daypitney.com](mailto:jmpagnillo@daypitney.com)

(203) 862 7875

**Craig M. Gianetti**<sup>NJ, NY</sup>

[cgianetti@daypitney.com](mailto:cgianetti@daypitney.com)

(973) 966 8053

**Daniel L. Schwartz**<sup>CT, CA, NY</sup>

[dlschwartz@daypitney.com](mailto:dlschwartz@daypitney.com)

(203) 977 7536

**Tamara L. Busch**<sup>MA, CT, NY</sup>

[tbusch@daypitney.com](mailto:tbusch@daypitney.com)

(617) 345 4634

**Brooke Pollak**<sup>CT, NJ, NY</sup>

[bpollak@daypitney.com](mailto:bpollak@daypitney.com)

(203) 862 7887

**Basil C. Sitaras**<sup>CT, NY</sup>

[bsitaras@daypitney.com](mailto:bsitaras@daypitney.com)

(203) 977 7548

**Joshua J. VandenHengel**<sup>NJ, NY</sup>

[jvandenhengel@daypitney.com](mailto:jvandenhengel@daypitney.com)

(973) 966 8205

## **Donor Restrictions – Will Your Organization Be Stuck With Them Forever?**

*By Brooke Pollak*

Donors often want to ensure that a gift is used for the donor's intended purpose long after the gift is initially made. Donor restricted funds are created in a number of ways, including through conditions in a written gift agreement or under the terms of a charitable trust. Donor restrictions typically fit into one of two categories: (i) restrictions on the purposes for which the gift can be used, such as "to fund scholarships for students to travel to the Czech Republic," and (ii) restrictions on the timing and amount of expenditures from the gifted funds, usually called "endowed gifts." [Read more](#)

## **COAH Releases New Affordable Housing Regulations in New Jersey**

*By Craig M. Gianetti and Joshua J. VandenHengel*

After years of litigation and court orders directing the New Jersey Council on Affordable Housing (COAH) to adopt new rules, on April 30, COAH released its latest iteration of Third Round affordable housing regulations. The proposed regulations comprise both Procedural Rules (N.J.A.C. 5:98-1 et seq.) and Substantive Rules (N.J.A.C. 5:99-1 et seq.) that will determine the number of affordable units each New Jersey municipality is required to provide for low-income residents. Consistent with the prior rules, municipalities that submit to COAH's jurisdiction and comply with the proposed regulations will continue to be protected from builder's remedy lawsuits. [Read more](#)

## **Form 1023-EZ - Is the Application Process Simplified for Smaller Charities?**

*By Jennifer M. Pagnillo*

In February the IRS released a draft of Form 1023-EZ (which was further updated in May), a simplified application for tax-exempt status that may be used by smaller organizations. The simplified form drastically reduces the burden on smaller charities by permitting them to attest that they meet the organizational and operational tests for tax-exempt status. [Read more](#)

**Bar Admissions:** California<sup>CA</sup> Connecticut<sup>CT</sup> Massachusetts<sup>MA</sup>  
New Jersey<sup>NJ</sup> New York<sup>NY</sup>

---

This communication is provided for educational and informational purposes only and is not intended and should not be construed as legal advice. This communication may be deemed advertising under applicable state laws. Prior results do not guarantee a similar outcome.

If you have any questions regarding this communication, please contact Day Pitney LLP at 7 Times Square, New York, NY 10036, (212) 297 5800.

© 2014, Day Pitney LLP | 7 Times Square | New York | NY | 10036