

Law of Nonprofit Organizations

Spring 2011

Tuesday, 4:40 P.M. – 6:40 P.M.

Room 306

Course Requirements

Attendance (20%)

Because this is a seminar, class participation is essential for an interesting class session. Class participation will count for twenty percent of the grade. During meetings of the seminar we will focus on the problems at the end of each section of the casebook. It is essential to read both the materials assigned in the casebook and supplement, and the statutory citations indicated in bold at the beginning of sections of the casebook.

Writing Assignments (30%)

Writing Requirement of the course: prepare documents for the incorporation of a not-for-profit organization and prepare documents to request an exemption determination letter from the Internal Revenue Service. We will discuss the writing assignment throughout the semester. The writing assignment is due at the end of class on the final day of class.

Final Examination (50%)

The exam will take the form of questions posed by hypothetical clients. The questions will require short answers or short essay responses. About half of the exam will focus on state law issues and half on tax issues.

Professor Contact Information

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(513) 357-9346; (513) 290-5001

Office Hours: By appointment

Assigned Text

The required material for the course is James J. Fishman & Stephen Schwarz, *Nonprofit Organizations, Cases & Materials*, 4th Ed ("FS"). A recommended book is *Nonprofit Organizations, Cases & Materials*, 2010 Supplement ("SS").

Schedule of Classes and Reading Assignments

1. Tuesday, January 18, 2011

Introduction to Nonprofit Organizations

Readings:

FS: pp. 1-45

SS: Code §§501(c)(3) to (c)(8); 508(a), (c)

2. Tuesday January 25, 2011

State Law Basics

A. Formation:

Reading:

FS: pp. 48-90

SS: Revised Model Nonprofit Corporation Act §§2.02, 3.01, 3.02, 13.01, 13.02

Ohio Revised Code (will be handed out in first class)

B. Changes – Cy Pres and Deviation:

Reading:

FS: pp. 90-105

C. Dissolution and Distribution:

Reading

FS: pp. 105-122

3. Tuesday February 1, 2011

Governance under State Law

A. Duty of Care:

Reading:

FS: pp. 122-163

SS: Rev. Model Nonprofit Corp. Act: §§ 8.01; 6.21; 8.30, 8.33, 8.41-42.

Ohio Revised Code (will be handed out in first class).

B. Duty of Loyalty:

Reading

FS: pp. 163-199

SS: Rev. Model Act §§8.31, 8.33

Ohio Revised Code (will be handed out in first class)

4. Tuesday February 8, 2011

Governance under State Law (con't)

A. Duty of Obedience:

Reading

FS: pp. 199-202

B. Investment Responsibility:

Reading

FS: pp. 203-221

SS: UMIFA §1-4
Ohio Revised Code (will be handed out in first class)

C. Enforcement:

Reading

FS: pp. 221-242

SS: Rev. Model Act §§16.01-16.05, 16.20-22

IRS Good Governance Practices

5. Tuesday February 15, 2011

Regulation of Charitable Solicitation

Reading:

FS: pp. 243-292

6. Tuesday February 22, 2011

Role of Members, Directors and Officers, and CEOs

Reading: none, guest speakers

7. Tuesday March 1, 2011

Tax Exemption under Federal Law

A. Why Are Nonprofits Tax Exempt?

Reading:

FS: pp. 294-314

B. General Requirements for Exemption:

Reading:

FS: pp. 315-323

SS: Code §501(c)(3)

Regs §§1.501(c)(3)-1(a), (b), (c); 1.501(c)(3)-1(d)(1), (2)

C. Inurement, Private Benefit and Intermediate Sanctions:

Reading:

FS: pp. 445-474

SS: Code §4958

Regs §1.501(c)(3)-1(c)(2), 1.4958-1 through -8, Prop Reg 1.501(c)(3)-1(g)

8. Tuesday March 8, 2011

Special Issues for Particular Types of Organizations:

Reading:

FS: pp. 323-344 (health care orgs)

pp. 344-351 (public interest law firms and other legal services)

pp. 351-357 (community development and low-income housing)
pp. 362-368 (disaster relief)
pp. 398-415 (educational organizations)
pp. 415-431 (religious organizations)
SS: Regs §1.501(c)(3)-(1)(d) (educational)

9. Tuesday March 15, 2011

Limitations on Lobbying and Campaign Participation:

Reading:
FS: pp. 474-545
SS: Code §501(c)(3), (4); 501(h); 4911, 4912, 4955, 6033(b)(8)

10. Tuesday March 22, 2011

Private Foundations

Reading:
FS: pp. 703-806
SS: Code §§ 4940; 4946; 507(d)(2); 509(a)(1); 509(d); 170(b)(1)(A)(i) - (vi); 509(a)(2); 509(a)(3).

11. Tuesday March 29, 2011

Private Foundations (con't)

Reading:
FS: pp. 703-806
SS: Code §§ 4940; 4946; 507(d)(2); 509(a)(1); 509(d); 170(b)(1)(A)(i) - (vi); 509(a)(2); 509(a)(3).

12. Tuesday April 5, 2011

Commercial Activities and Unrelated Business Income

Readings:
FS: pp. 567 – 702

13. Tuesday April 12, 2011

Commercial Activities and Unrelated Business Income (con't)

Readings:
FS: pp. 567 – 702

14. Tuesday April 19, 2011

Charitable Contributions

Readings:
FS: pp. 807 - 898

15. Tuesday April 26, 2011

Charitable Contributions (con't)

Readings:

FS: pp. 807 - 898