

Nonprofit and Tax-Exempt Organizations

Establishing and operating successful nonprofit and tax-exempt organizations require careful structuring and effective governance to inspire trust, attract donations and avoid regulatory pitfalls. Transparency, accountability, regulatory compliance and maintaining tax-exempt status are just some of the hurdles these organizations face.

Pryor Cashman's Nonprofit and Tax-Exempt Organizations practice represents a wide variety of charities, private foundations, employee welfare groups, educational institutions, philanthropic organizations and other tax-exempt organizations. We help them advise best practices to attract donors, inspire public confidence, create operational efficiency, and institute effective governance and strong oversight.

What We Do

Our attorneys advise nonprofit entities, their boards and executives throughout their organizations' life cycle — from formation, structuring, governance, management and tax-related concerns through mergers, business combinations, restructurings, liquidations and dissolution.

We provide counsel on:

- Forming, operating and using for-profit subsidiaries
- Intermediate sanctions/excess benefit rules
- Program-related investments
- Public disclosure and reporting requirements
- Supporting organizations and donor-advised funds
- Director and officer liability
- Self-dealing and other rules specific to foundations
- Labor and employment concerns

Additionally, we ensure that nonprofit and tax-exempt organizations are fully compliant with state and federal rules and address the issues arising from restrictions on legislative and political activities. Further, we assist in structuring joint ventures and other affiliations between tax-exempt and for-profit entities.

Assuring Compliance With the Changing World of Nonprofit Governance

Corporate governance presents particular challenges for nonprofit organizations. Tax-exempt organizations and trusts — as well as their individual directors, officers, trustees and fiduciaries — are subject to evolving standards for nonprofit leadership. We assist in matters pertaining to board leadership and composition, independent audits and whistleblower policies. Our attorneys are well-versed in the nuances of New York State's Non-Profit Revitalization Act, which has overhauled the state's Not-for-Profit Corporation Law, revamped nonprofit governance and oversight rules, streamlined transaction processes and procedures and simplified day-to-day operational requirements. We help nonprofits adjust to this new regulatory environment

Addressing Special Tax Issues

Our tax attorneys advise on sophisticated tax issues and other matters critical to maintaining tax-exempt status, as well as ensure that our clients' organizational structure and operations comply with IRS regulations. When exempt status is at risk, we engage with the IRS and assist clients seeking private letter rulings on difficult or sensitive matters. We have been successful in helping many organizations retain their rightful status.

Structuring Charitable Giving

Our attorneys help philanthropic individuals form and manage trusts and estates designed to further their charitable aims. Additionally, we advise individual, corporate and foundation donors and charitable organizations on complex structured gifts and ways to maximize the benefits of planned future gifts, as well as address donor-control issues that may arise.