

## → Nonprofit and Tax-Exempt Entities

Sheppard Mullin is one of the few large international law firms with attorneys who are dedicated full-time to nonprofit organizations and tax exemption matters – and who have dedicated their careers to working with nonprofit organizations. For an overview of our team, please [click here](#).

### **Our Services**

Our team advises clients on the full life-cycle of a tax-exempt, nonprofit organization –from formation, to obtaining and maintaining tax-exempt status, to operational, governance and compliance matters, to corporate transactions and restructurings, and through dissolution, including in particular:

### **New Nonprofits**

- Forming new nonprofits and obtaining tax exemption
- Structuring relationships between nonprofits and for-profits to qualify for tax-exemption
- Complex structures and groups of affiliated entities
- Fiscal sponsorship arrangements
- Obtaining state/local property, income and sales and use tax exemptions

### **Corporate Governance**

- Counseling boards on governance
- Governance restructurings
- Advising on Bylaws and statutory compliance
- Conflict of Interest, fiduciary duties, ethics and best practices
- Corporate policies and procedures
- Preparing Board resolutions and minutes
- Supporting board and committee meetings

### **Compliance/Operations**

- Avoiding excess benefit transactions, private inurement and private benefit
- Executive compensation (the “rebuttable presumption” process)
- Operational support – e.g., negotiating and drafting contracts
- Private foundation excise tax rules
- Review of annual filings, including IRS Forms 990 and 990- PF
- Unrelated business income tax

- Public charity vs. private foundation status qualification
- Compliance reviews / “health checks”
- Lobbying and political campaign restrictions

## **Transactions**

- Structuring joint ventures, complex affiliations and other arrangements between tax-exempt and for-profit organizations
- Mergers and acquisitions
- Strategic corporate organizational planning
- Conversions to taxable and tax-exempt status
- Spin-offs of divisions of a tax-exempt entity into for-profit structures
- Dissolutions

## **Philanthropic Needs**

- Fundraising and charitable solicitation matters
- Endowment funds and restricted gifts
- Grant-making guidelines and agreements
- Charitable solicitation registration
- Corporate sponsorship
- Commercial Co-Ventures/Charitable Sales Promotions

## **Industry-Specific Compliance**

- Healthcare-specific requirements – e.g., Section 501(r), tax-exempt PCs
- Qualifying as a “church” or “integrated auxiliary” of a church
- Scientific research organizations and clinical research
- International organizations – tax compliance and charitable giving
- Trade associations – tax exemption issues and antitrust compliance

## **Investigations/Litigation**

- Investigations and proceedings by state attorneys general and other governmental bodies

## **Clients**

### **Our Clients**

We represent clients across the spectrum of the nonprofit sector, including, for example:

- Hospitals, clinics, health plans, nursing homes and other healthcare organizations

- Social service providers
- Scientific and medical research organizations
- Religious and denominational nonprofits
- International charities and “American Friends of” organizations
- Universities, schools and educational organizations
- Arts and cultural organizations
- Private foundations - family foundations and company foundations
- Trade associations, professional organizations and business leagues
- Nonprofit news and media organizations
- Homeowners associations and real estate and economic development organizations
- Cause-related and advocacy organizations, such as environmental, animal rights, youth, and sports organizations

Our experience counseling a broad range of clients enables us to provide not only technical legal support, but also practical solutions tailored to each client’s particular needs.

## Publications

- “For Tax-Exempt Employers: 403(b) Retirement Plan Compliance Opportunity,” *Labor and Employment Law Blog*, March 11, 2019
- “Tax Reform: Nonprofits and their Executives Brace for Impact,” *Labor and Employment Law Blog*, December 7, 2017
- “Tax-Exempt Healthcare Organizations Brace for Impact as Senate Tax Reform Bill Passes,” *Healthcare Law Blog*, December 5, 2017

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“Big Law Partner Gets Emmy Nod for Munich '72 Documentary”

Partner David Ulich is nominated for a News & Documentary Emmy in the category of “Outstanding Research,” July 27, 2017

- “IRS Denial of Section 501(c)(3) Status for a Commercial ACO,” *Healthcare Law Blog*, May 9, 2016
- 6 Common Concerns for Nonprofit Organizations, *Metropolitan Corporate Counsel*, December 2015
- “Top 5 Actions to Consider for the New York Nonprofit Law Overhaul Effective on July 1,” July 2, 2014