Nonprofit Organizations Committee Newsletter
First Quarter, 2011

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Important Dates

Business Law Section Spring Meeting
April 13-16, 2011
Marriott Copley Place/Westin Copley Place
Boston, MA

ABA Annual Meeting
August 5-8, 2011
Toronto, ON

Nonprofit Organizations Committee Fast Facts

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<tr>
<th>Category</th>
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<tr>
<td>Number of Current Members:</td>
<td>719</td>
</tr>
<tr>
<td>Number of Young Lawyer Members:</td>
<td>90</td>
</tr>
<tr>
<td>Number of Active Past Chairs:</td>
<td>4</td>
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<tr>
<td>Subcommittee with the Most Members:</td>
<td>Current Developments in Nonprofit Corporation Law (295 Members)</td>
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Article Writers Wanted

The Newsletter Editorial Board is seeking articles on nonprofit law

Leadership Message

Welcome to the Nonprofit Organizations Committee’s inaugural newsletter. We hope that you find that the information will be helpful to you in your practice. One of the goals for our committee is to help our members stay up to date with the latest developments in our area as well as activities of the Committee. Our newsletter is one of the tools to accomplish this goal. We hope that you will be able to attend the spring meeting to be held in Boston April 14-16. In addition to the great CLE programs, you will be able to participate in the Nonprofit Organizations Committee and Subcommittee meetings, talk with experts in the nonprofit field, and meet new colleagues who share your professional interests in a great city. We look forward to seeing you in Boston!

Bill Boyd
Chair, Nonprofit Organizations Committee

Three Part Webinar Series for the "Non" Nonprofit Lawyer

The Committee on Nonprofit Organizations, in conjunction with the Committee on Tax Exempt Entities of the Tax Section is sponsoring a three part webinar series on nonprofit legal issues. The series is for lawyers whose practice does not focus on nonprofits but who either represent public charitable nonprofits or sit on nonprofit boards. It also is a great refresher for lawyers who regularly work in the nonprofit area. Each program will provide practical advice for addressing important nonprofit legal issues.

The topics are as follows: Nonprofit Formation Issues (January 19), Tax Issues for Nonprofits (January 26) and Nonprofit Governance Issues (February 2).

The price for Business Law Section members is $75 per webinar or $195 for all three sessions.

subject matter to include in future newsletters. There is no length requirement. We plan to have a series of "Advising the Board" articles intended to assist our members when advising board of directors of nonprofit organizations on different issues. We are also seeking articles on other substantive subjects. If you are interested in submitting an article, please contact:

- Bill Boyd at wlb@nyemaster.com
- Tianne Batille at tianne.batille@accenture.com
- Matthew Wright at matthew@mgwrightlaw.com

Newspaper Editorial Board

- Tianne Batille, Chicago, IL
- Willard L. Boyd III, Des Moines, IA
- Megan A. Christensen, Washington, D.C.
- Patrick Sternal, Northridge, CA
- Matthew G. Wright, Waco, TX

Spring Program in Boston - April 14-16

The Nonprofit Organizations Committee will be holding Committee and Subcommittee meetings as well as sponsoring various CLE programs at the Business Law Section Spring Meeting in Boston, April 14-16, 2011.

A schedule of the meetings and nonprofit CLE offerings is available at the Committee's website.

You can sign up online by registering here. We will be staying at the Marriott Copley Place/Westin Copley Place

As customary, the Committee will be holding a no-host dinner on Saturday, April 16. All members of the Committee and their guests are welcome to attend.

We hope to see you in Boston.

Committee's Comment Letter on Form 990

In November, the Business Law Section submitted a comment letter to the IRS on the Form 990. The effort involved a task force of the Nonprofit Organizations Committee that was chaired by Committee member (and former Committee chair), Lisa Runquist.

The letter is available on the Committee's webpage.

The comment letter sets forth seventeen comments on the Form 900. Among other things, the letter comments on the concept of "mission" versus "purpose" of a nonprofit, the "reasonable efforts" test imposed on preparers of the 990, information requests relating to policies of nonprofits, the concepts of "governing board" and "independence" of directors, and the treatment of conflicts of interest.

2011 Nonprofit Lawyer Awards Nominations

The Committee on Nonprofit Organizations is calling for nominations for the 2011 Outstanding Nonprofit Lawyer Awards. Awards are given annually in the following categories: Academic, Attorney, Nonprofit In-House Counsel, Young Attorney (under 35 or in practice for less than 10 years) and Vanguard Award (lifetime commitment/achievement).

For a nomination form, go to the Committee's webpage.

A list of prior award recipients is also on the Committee's webpage.

Nominations are due by February 28, 2011, and the Awards will be announced at the Business Law Section's Spring Meeting in Boston. Nominations should be sent to:

Michael E. Malamut
Counsel II
Department of Housing & Community Development
Subcommittee Spotlight

The Model Nonprofit Corporation Act Subcommittee of the ABA Business Law Section's Nonprofit Organizations Committee was formed in 2008 with the finalization of the Model Nonprofit Corporation Act (3rd edition). In 2010, the Subcommittee met at both the Spring Meeting and Annual Meeting to work on updates to the Model Act. The Subcommittee expects 2011 to be another busy year in both updating the Model Nonprofit Corporation Act as well as promoting the Model Act's adoption by the states. The Subcommittee is planning meetings at both the Spring meeting in Boston and Summer meeting in Toronto. This Subcommittee is one of the fastest growing subcommittees of the Nonprofit Organizations Committee and all members of the Nonprofit Organization Committee are welcome to join! This is a great subcommittee to join if you are interested in nonprofit law reform. More information on the Subcommittee is available on the Nonprofit Organizations Committee webpage. You also can contact Larry Beaser, chair of the subcommittee at beaser@blankrome.com.

Publication Feature

The Guide to Representing Religious Organizations, is the most recent publication of the Nonprofit Organizations Committee. The Guide, which is edited by two former chairs of the Committee, Lisa Runquist and Jeannie Frey, addresses critical issues and risk factors of concern for religious organizations ranging from formation and governance, to taxes, fundraising and employment issues, and property rights. It outlines the general requirements of applicable law and highlights areas in which religious organizations receive special consideration under the law. The Guide's topical discussions are well organized for ease of reference. This book will assist attorneys who are asked to represent religious organizations as well as provide general information for religious leaders faced with a legal challenge.

State and National Updates

Nonprofit News Update for 2010
By Megan Christensen, Blank Rome LLP

Nonprofits had their share of the national spotlight in 2010. Below, is a summary of a few significant national developments affecting nonprofits.

- Healthcare Reform: The 2010 Patient Protection and Affordable Care Act (PL 111-149), otherwise known as
Affordable Care Act (P.L. 111-148), otherwise known as the healthcare reform bill, enacted in March 2010 makes numerous changes to the healthcare industry. Significantly, the changes include additional requirements for nonprofit hospitals to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Under new Code Section 501(r), each facility of a tax-exempt hospital organization must meet the following four requirements:

- Conduct a community health needs assessment every three years, which is publicly available, and adopt an implementation strategy to meet the needs identified in the assessment;
- Create a widely publicized written financial assistance policy that includes, inter alia, eligibility criteria, whether the assistance includes free or discounted care, the basis for determining the amounts charged to patients, and the manner by which a patient applies for financial assistance;
- Limit the amounts charged for emergency or medically necessary care for patients eligible for financial assistance and prohibit the use of gross charges; and
- Do not engage in "extraordinary collection actions" before making reasonable efforts to determine whether the patient is eligible for financial assistance.

Form 990 Filing Thresholds: The revisions to Form 990 released in 2008 are fully implemented beginning with filings for the 2010 tax year. A tax-exempt organization (other than a private foundation) with gross receipts of $200,000 or more or total assets of $500,000 or more must file Form 990 and applicable schedules. Organizations with gross receipts and assets below these thresholds may file either Form 990-EZ or Form 990. Those organizations with gross receipts normally $50,000 or less are eligible to file Form 990-N, also known as the "e-Postcard".

Nonprofits & New Media:

- Jumo: Facebook co-founder, Chris Hughes, founded a new social networking site in 2010 (www.jumo.com) to help nonprofits connect with each other and the public. The site provides new opportunities to find related individuals and organizations, as well as to publicize a nonprofits mission and activities.
- Haiti, Mobile Giving & Nonprofit Applications: The tragedy in Haiti and its aftermath highlighted the ability of technology to close the gap between those in need and those able to help. As always, nonprofits figured prominently in providing aid to devastated Haiti, but new media resources were a powerful ally in providing that aid. Donations through texting raised millions to help relief efforts. The ability to make donations in this manner creates new fundraising opportunities for charities.

Single-Member Limited Liability Companies: A long-lingering question is whether contribution to a single-member limited liability company owned by a public charity will be respected as a charitable contribution for the donor. In June, the IRS released Information Letter 2010-0052 stating that a private foundation grant to a single-member limited liability company owned by a public charity is a qualifying distribution for purposes of
A public charity is a qualifying distribution for purposes of Code Section 4942, and is not a taxable expenditure under Code Section 4945. Although the information letter does not address the charitable contribution deduction question, it may suggest that the IRS would allow such a deduction.

- Final Act of Congress: In mid-December, 2010, Congress passed, and President Obama signed, the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (P.L. 111-312). This Act extended numerous popular tax provisions, including those that may benefit nonprofit organizations. Such provisions include an aggregate $3.5 billion, two-year extension of the New Markets Tax Credit, a two-year extension of the rehabilitation tax credit relative to any certified historic structure or qualified building in the Gulf Opportunity Zone (the "GO Zone"), and an extension of the place in service date for low-income housing units in the GO Zone.