REQUIRED MATERIALS


ASSIGNMENTS (for the first month of the semester)

August 31 and September 7 — Introduction

1. In the Casebook, read:


2. In the Statutory Supplement, read:

Code2 § 501(a), (b), (c)(1) – (29). Focus on § 501(c)(3) – (7); Other sections may be skimmed.
§ 170(a), (b), (c)
§ 508(a), (b), (c)

Form 1023, Application for Exemption Under Section 501(c)(3) of the Internal Revenue Code, p. 1012 (skim to determine what the IRS is interested in discovering). Compare to “streamlined” Form 1023-EZ, p. 1040.

3. On the Web, briefly visit the following sites:

www.metmuseum.org
www.komen.org
www.fordfound.org
www.now.org
www.abanet.org
www.pga.org

1 Be sure to purchase this title and not “Taxation of Nonprofit Organizations” by the same authors.
2 “Code” refers to the Internal Revenue Code. “Regulations” refers to the Treasury Regulations. The relevant Code and Regulations provisions generally can be found in the Statutory Supplement.
Note the similarities and differences between the purposes and activities of the different organizations. If you were to group these organizations based on similarities, how might you group them? We will return to these web sites throughout the semester when we focus on (1) organizational purposes; (2) fundraising and corporate sponsorship activities; (3) compensation of officers and directors; (4) commercial activities; (5) lobbying and political activities.

4. Read the four articles posted on NYU Classes:


September 12 — Organization Under State Law

1. In the Casebook, read:

   pp. 43 – 65; 68 – 72. Prepare a written outline of your answers to the problems on p. 54 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Model Nonprofit Corp. Act (3d ed.): §§ 2.01-2.06, 3.01-3.02.
   N.Y. Not-for-Profit Corp. Law: §§ 201, 202, 204, 404-406, 508, 515.
   Sample Articles of Organization, p. 906.
   Sample ByLaws, p. 908 (skim).
Sample Charitable Trust, p. 914 (skim).

September 14 — Dissolution and Distribution of Assets

1. In the Casebook, read:

   pp. 73 – 98. Prepare a written outline of your answers to Problems 1, 2, 3, and 5 on p. 89 and Problem 1 on p. 92 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Restatement of the Law Third, Trusts, §§ 66 and 67.

September 19 and 21 — Tax-Exempt Status; Charitable Requirement; Disaster Relief

1. In the Casebook, read:

   pp. 271 – 299; 344 – 370; 337 – 342. Prepare a written outline of your answers to Problems (a) and (b) on p. 342 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: § 501(c)(3) [again].
   Regulations: §§ 1.501(c)(3)-1(a), (b), (c); 1.501(c)(3)-1(d)(1), (2).

3. On NYUClasses read:


September 26 and 28 — Private Inurement, Private Benefit, and Excess Benefit Transactions

1. In the Casebook, read:

   pp. 416 – 442, 226 – 233 (through Note 1). Prepare a written outline of your answers to Problems 1(a)-(e) and 2 on pp. 443 – 444 for your own reference during class discussion.
2. In the Statutory Supplement, read:

   Code: § 4958.
   Regulations: §§ 1.501(c)(3)-1(c)(2).

3. Read the articles and report posted on NYUClasses:

   Cornelia Dean, Wealthy Stake $25 Million in a War With the Sea, N.Y. Times, July 8, 2007.


October 3—Educational Organizations

1. In the Casebook, read:

2. In the Statutory Supplement, read:
   Regulations: §§ 1.501(c)(3)-1(d)(3).

October 5—Religious Organizations and Health Care Organizations

1. In the Casebook, read:
   pp. 387 – 402; 299 – 319. Prepare a written outline of your answers to the Problems (a) and (c) on p. 403 and to the Problems on pp. 319 – 320 for your own reference during class discussion.

2. On NYUClasses read:

October 10—Miscellaneous Organizations

1. In the Casebook, read:
   pp. 326 – 332 and 403 - 410. Prepare a written outline of your answers to the Problems on pp. 332 – 333 and Problems (a) and (c) on pp. 410 – 411 for your own reference during class discussion.

2. In the Statutory Supplement, read:
   Code: § 501(j).
   Regulations: §§ 1.501(c)(3)-1(d)(4), (5).
October 17*— Commercial Activities

1. In the Casebook, read:
   pp. 527 – 547. Prepare a written outline of your answers to Problems (a), (b), and (f) – (i) on pp. 547 – 549 your own reference during class discussion.

2. In the Statutory Supplement, read:
   Regulations: §§ 1.501(c)(3) - 1(c)(1) and -1(e).

October 19 and 24 — Limitations on Lobbying

1. In the Casebook, read:
   pp. 445 – 461. Prepare a written outline of your answers to all portions of the Problem on pp. 461 – 462 for your own reference during class discussion.

2. In the Statutory Supplement, read:
   Code: §§ 501(c)(3), (4); 501(h); 504; 4911; 4912; 4955; 6033(b)(8).

October 26 – Limitations on Political Campaign Activities

1. In the Casebook, read:
   pp. 463 – 502. Prepare a written outline of your answers to all portions of the Problem on pp. 499 – 500 for your own reference during class discussion.

2. In the Statutory Supplement, read:
   Code §§ 501(c)(3), (4); 527; 4955.

* No class on October 12. Class cancelled.
November 2 and 7—Introduction to Private Foundations and their Alternatives

1. In the Casebook, read:

   pp. 649 – 650, 657 – 676, 679 – 697, 702 – 704. Prepare a written outline of your answers to problems 1(a), (b), and (f) on pp. 678 – 679 and the Problem on p. 690 using all relevant tests (§§ 170(b)(1)(A)(vi) and 509(a)(2)) for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: §§ 507(d)(2); 509(a) – (e); 170(b)(1)(A)(i) - (vi); 4942(j); 4946.

November 9—Private Foundation Excise Taxes

1. In the Casebook, read:

   pp. 704 (bottom) – 707, 708 – 718, 720 – 725, 727 – 730, 731 – 743 ignoring all problem sets that are not specifically assigned. Prepare a written outline of your answers to the problems 1(a)-(g) and 2 on pp. 718 – 719, and problems (a) – (e), (g), and (i) on pp. 741 – 743 for your own reference during class discussion.

2. In the Statutory Supplement, read or re-read:

   Code: §§ 4940; 4941; 4945; 4946.

November 14 and 16 — Unrelated Business Income Tax

1. In the Casebook, read:

   pp. 549 – 586. Prepare a written outline of your answers to the problems on pp. 586 – 587 (excluding problem 1(d)).

2. In the Statutory Supplement, read:

   Code: §§ 511(a), (b); 513(a), (c), (f), (h), (i).
   Regulations: § 1.513-4.
3. On the Web, visit www.metmuseum.org/store (or go to a Metropolitan Museum of Art shop or the shop of another cultural institution). Think about sales of which items might generate unrelated business income.

November 21—Exclusions from UBTI

1. In the Casebook, read:

   pp. 588 – 592. Prepare a written outline of your answers to the problems on p. 593 – 594 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: § 512(a), (b)(1)-(5), (7) - (9), (13), (15).

November 23—Joint Ventures, Social Enterprise Organizations, and Hybrid Forms

1. In the Casebook, read:


November 28 and 30—Nonprofit Operation and Governance

1. On NYUClasses, read:


   IRS, Good Governance Practices.

   Independent Sector, Principles for Good Governance and Ethical Practice—Optional Reading.

2. In the Casebook, read:

   pp. 109 – 114, 120 – 152, 155 (Notes) – 172, 181 (only “Duty of Obedience” paragraph). Prepare a written outline of your answers to the problems on pp. 143 – 144 and the problems (except for (e) and (f)) on pp. 179 – 181 for your own reference during class discussion.
3. In the Statutory Supplement, read:

Form 990. Focus on Part VI, Governance, Management, and Disclosure.
Model Nonprofit Corporation Act (3d ed.): 8.01, 8.04-8.05, 8.20-8.21, 8.30 – 8.33, 8.41, 8.42, 8.50-8.58, 8.60. 8.70.
N.Y. Not-for-Profit Corp. Law 715, 715-a, 716, 717, 719, 720-a.