

**University of South Carolina School of Law**  
**Nonprofit Organizations**  
(Laws 715) Spring 2012  
Professor Jaclyn A. Cherry

**SYLLABUS**

**Class Time**

Monday, Tuesday and Thursday from 10:20 a.m.-11:20 a.m. in Room 344.

**Purpose and Outcomes**

This course will provide an overview of the nonprofit tax exempt sector. It will include the study of the formation, structure, and characteristics of nonprofit organizations and the major categories of federal tax exemption with an emphasis on charitable organizations such as religious organizations, churches, educational organizations, healthcare organizations and arts organizations through case and statutory law.

Through the use of hypotheticals and problems, students will learn to effectively cut through the density of the case law and statutes in this area and will gain a greater practical understanding of the application of the law.

**Contact Information**

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<u>Office Hours:</u>	Mondays from 1-3pm and Thursdays from 1-3pm. I maintain an <b>open door policy</b> – if I am in my office, please feel free to ask whether I am available to talk at that time. If it is not convenient, I will set another time. You also may set an appointment by emailing or calling me.

**Course Materials**

TAX EXEMPT ORGANIZATIONS: CASES AND MATERIALS, 2<sup>nd</sup> ed. Nicholas P. Cafardi and Jaclyn Fabean Cherry (LexisNexis 2008). Required.

UNDERSTANDING NONPROFIT AND TAX EXEMPT ORGANIZATIONS, Nicholas P. Cafardi and Jaclyn A. Cherry (LexisNexis 2006). Recommended.

Various Handouts and materials provided on Nonprofit Organizations TWEN site.

### **Course Requirements**

Students are expected to read all of the assigned materials, attend all classes, be prepared and participate in class discussions. Roll will be circulated on a weekly basis for your signature. A student's signature on the roll indicates that the student attended the entire class period. You must comply with the LAW STUDENT HANDBOOK rule and other applicable rules on attendance. Points may be subtracted from your final grade for unexcused absences.

Students are also expected to conduct themselves in a professional manner throughout all aspects of the course. Computer usage should be limited to note taking in this class. All students must sign on to the TWEN site for Nonprofit Organizations after our first class meeting.

Students are expected to fully abide by the Rules of Academic Responsibility in Section VII of the Law Student Handbook.

### **Grading**

Grades in this course will be based on a combination of the following:

1. Participation = 20%
2. Assignments = 25%  
(5 assignments worth 5 points each plus 1 bonus assignment)
3. Exam = 55%

### **Course Schedule and Reading Assignments**

This course schedule may be amended from time to time. Additions or modifications will be announced in class or by written notification.

The following is the tentative schedule and outline for course readings. Students should prepare for each week accordingly and be prepared to discuss the readings and the problems and hypotheticals included in the assignment. Class participation grades will be based on informed contributions to class discussions.

Reading assignments will be clarified at the end of each class for the following class. If not discussed, then continue to follow the reading schedule set forth below. The following chapters refer to the course casebook.

#### **Week 1 – Chapter 1 General Overview, pages 1-85 plus additional readings**

January 9 Chapter 1 Introduction and Overview

January 10 Chapter 1 Overview and Nonprofit Law (**Turn in Question 2 on page 30**) =  
**Assignment Points**

January 12 Nonprofit Law/South Carolina Nonprofit Statute

Week 2 – **Handouts and assigned readings**

January 16 Off

January 17 Nonprofit Formation, Board of Directors, Governance

January 19 Sarbanes-Oxley, Bylaws, Charitable Solicitation, Sales/use Tax (**Discuss Nonprofit problem from Fishman/Schwarz in class**)

Week 3 – **Chapter 2 and Chapter 3**

January 23 Chapter 2 Rationales for Tax Exemption, pages 87-143

January 24 Chapter 2 Rationales for Tax Exemption, pages 87-143

January 26 Begin Chapter 3 IRS Tests for Exemption, pages 145-154

Week 4 – **Chapter 3 and Chapter 4**

January 30 Chapter 3 IRS Tests for Tax Exemption, pages 155-220

January 31 Chapter 3 IRS Tests for Tax Exemption, pages 155-220

February 2 Chapter 4 Religious Organizations and Churches, pages 221-294

Week 5 – **Chapter 4 and Chapter 5**

February 6 Chapter 4 Religious Organizations and Churches, pages 221-294

February 7 Chapter 4 Religious Organizations and Churches, pages 221-294 (**Turn in answers to Hypothetical Questions page 294 #'s 1 through 6**) = **Assignment Points**

February 9 Chapter 5 Educational Organizations, pages 295-367

Week 6 - **Chapter 5 and Chapter 6**

February 13 Chapter 5 Educational Organizations, pages 295-367

February 14 Chapter 6 Healthcare Organizations, pages 369-401 (**Turn in answer to Hypothetical Question #2 on page 411**) = **Assignment Points**

February 16 Chapter 6 Healthcare Organizations, pages 402-461

Week 7 – **Chapter 6 and Chapter 7**

February 20 Chapter 6 Healthcare Organizations, pages 402-461

February 21 Speaker (Healthcare)

February 23 Chapter 7 Arts Organizations, pages 463-526 (**Turn in answers to Hypothetical Questions page 496 #'s 1 through 4**) = **Assignment Points**

Week 8 – Chapter 7 and Chapter 8

February 27 Chapter 7 Arts Organizations, pages 463-526

February 28 Chapter 8 Other 501 (c)(3) Exempt Organizations, pages 527-587

March 1 Chapter 8 Other 501 (c)(3) Exempt Organizations, pages 527-587

**SPRING BREAK (March 5-9)**

Week 9 – Chapter 9 (Group Hypothetical = Bonus Points)

March 12 Chapter 9 Charitable Contributions, pages 589-665 – **Group Hypothetical Project**

March 13 Chapter 9 Charitable Contributions, pages 589-665 – **Group Hypothetical Project**

March 15 Chapter 9 Charitable Contributions, pages 589-665 – **Group Hypothetical Project**

Week 10 – Chapter 10 and Chapter 11

March 19 Chapter 10 501(c)(4)'s and their Relationship to 501(c)(3)'s, pages 667-748

March 20 Chapter 10 501(c)(4)'s and their Relationship to 501(c)(3)'s, pages 667-748

March 22 Chapter 11 Section 501(c)(6), (c)(7), (c)(8) Organizations, pages 749-814

Week 11 – Chapter 11 and Chapter 12

March 26 Chapter 11 Section 501(c)(6), (c)(7), (c)(8) Organizations, pages 749-814

March 27 Chapter 12 Unrelated Business Income Tax, pages 815-897

March 29 Chapter 12 Unrelated Business Income Tax, pages 815-897

Week 12 – Chapter 12 and Chapter 13

April 2 Chapter 12 Unrelated Business Income Tax, pages 815-897

April 3 Chapter 13 Private Foundations, pages 899-958 (**Turn in answers to Hypotheticals page 905 and 907**) = **Assignment Points**

April 5 Chapter 13 (Speaker) Private Foundations, pages 899-958

**Week 13 – Chapter 14 and Review**

April 9 Chapter 14 Maintaining and Securing Tax Exempt Status

April 10 Chapter 14 Maintaining and Securing Tax Exempt Status

April 12 Review

April 13 Review

**Further Information/Updates**

Because this course is adapted to suit each particular class, this syllabus may be amended throughout the class. Additions or modifications to assignments, as well as changes to any of the dates above, or other important information will be announced in class.