

PRIVATE FOUNDATIONS AND THEIR ALTERNATIVES  
Professor Jill Manny  
Summer 2019

Classes 1 and 2— Introduction

Purchase the casebook entitled "Cases and Materials on Taxation of Nonprofit Organizations, Fourth Edition" by James Fishman, Stephen Schwarz, and Lloyd Hitoshi Mayer, at the N.Y.U. Bookstore. **Do not purchase a book with a similar title by the same authors: "Nonprofit Organizations, Cases and Materials, Fifth Edition."** That is not the correct book. You can also purchase "Nonprofit Organizations Statutes, Regulations, and Forms," but feel free to access statutes and regulations on the internet.

1. In the Casebook, read:

pp. 33 – 49; 72 – 79; 431 – 432; 439 – 458; 461 – 482; 483 – 485. Prepare a written outline of your answers to Problems 1(a), (b), and (f) on pp. 460 – 461 and the Problem on pp. 471 – 472.

2. In the Statutory Supplement, read:

Code §§ 501(a), (b), (c)(1-25); 170(a), (b), (c), (f)(18); 508(a), (b), (c); 507(d)(2); 509; 4942(j)(3); 4943(e)(1)-(3); 4946; 4958(c), (f); 4966; 4967.

Regs. § 1.501(a)-1; 1.501(c)(3)-1; 53.4946-1(a); 1.507-6(b)(1); 1.170A-9(a) – (f); 1.509(a)-3(a) – (e), - (4).

3. Read these articles posted on NYUClasses:

Danny Hakim, New York Attorney General Sues Trump Foundation After 2-Year Investigation, N.Y. TIMES, June 14, 2018, <https://www.nytimes.com/2018/06/14/nyregion/trump-foundation-lawsuit-attorney-general.html>.

James V. Grimaldi, *Clinton Charity Aided Clinton Friends*, Wall St. J., May 12, 2016, at <http://www.wsj.com/articles/clinton-charity-aided-clinton-friends-1463086383>.

Pierre Omidyar, How I Did It: EBay's Founder on Innovating the Business Model of Social Change, HARV. BUS. REV., Sept. 1, 2011,

<https://hbr.org/2011/09/ebays-founder-on-innovating-the-business-model-of-social-change>.

Robert B. Reich, *Is Harvard a Charity?*, L.A. TIMES, Oct. 2007, at A 13.

Gene Steuerle, The Zuckerberg Charitable Pledge and Giving from One's Wealth, THE GOVERNMENT WE DESERVE, Jan. 11, 2016, <http://blog.governmentwedeseve.org/2016/01/11/the-zuckerberg-charitable-pledge-and-giving-from-ones-wealth/>.

### Class 3— Private Foundation Excise Taxes: §4940 Tax; Self-Dealing

1. In the Casebook, read:

pp. 486 – 489 and 490 - 500. Prepare a written outline of your answers to Problems 1(a) – (g) and 2 on pp. 500 – 501.

2. In the Statutory Supplement (or online), read:

Code: §§ 4940; 4941; 507.

Regulations: §§ 53.4941(a)-1(a), (b), (c); 53.4941(d)-1(a), (b)(1), (2), (4)-(8); 53.4941(d)-2(a), (b)(1), (b)(2), (c), (d), (e), (f), (g); 53.4941(d)-3.

### Class 4 – Private Foundation Excise Taxes: Taxable Expenditures; Excess Business Holdings

1. In the Casebook, read:

pp. 515 – 523 and 508 – 512. Prepare a written outline of your answers to Problems (a) – (e), (g), and (i) on pp. 523 – 524 and the Problem on pp. 512 – 513.

2. In the Statutory Supplement (or online), read:

Code: §§ 4945; 4946(c); 4943(a), (b), (c)(1) – (3), (5) – (7); (g).

Regulations: §§ 53.4945-1(a), (d), -3 (skim), -4, -5, -6; 53.4943-1, -3(a), (b), -6(a).

Class 5 – Private Foundation Excise Taxes: Taxable Expenditures; Excess Business Holdings; Jeopardy Investments

1. In the Casebook, read:

pp. 515 – 523 and 508 – 515. Prepare a written outline of your answers to Problems (a) – (e), (g), and (i) on pp. 523 – 524, the Problem on pp. 512 – 513, and the Problems on p. 515.

2. In the Statutory Supplement (or online), read:

Code: §§ 4945; 4943(a), (b), (c)(1) – (3), (5) – (7), (g); 4944.  
Regulations: §§ 53.4945-1(a), (d), -3 (skim), -4, -5, -6; 53.4943-1, -3(a), (b), -6(a); 53.4944-1, -3(a).

Class 6 – Private Foundation Excise Taxes: Charitable Distribution Requirements; Termination of Private Foundation Status; DAF Ruling

1. In the Casebook, read:

pp. 501-507 and 524 – 542. Prepare a written outline of your answers to the Problem on pp. 507 - 508.

2. In the Statutory Supplement (or online), read:

Code: § 4942(a), (b), (c), (d), (e), (g)(1) – (3), (h), (j)(1), (2), (4); 507.

Class 7—View Taped Panels

1. Panel 1: Panel Discussion on Private Foundation General Counsel Perspectives, Featuring Ricardo Castro, Esq. and Jillian Diamant, Esq.
2. Panel 2: Discussion with Victoria Bjorklund, Esq.