Nonprofit Organizations, Section 48521  
UC Hastings College of the Law, Spring 2022

Robert A. Wexler  
Time: Thursdays 3:40 pm to 5:55 pm  
Location: TBD

**Learning Outcomes**  
After the successful completion of this course you will:

- understand nonprofit law at both the state and federal levels via a blend of theory, doctrine, and practice;
- appreciate how societal norms and values affect the development of nonprofit law; and
- have practical legal skills in the area of nonprofit law.

**Textbooks** (bring FSM and the Statutes to class)

- Fishman, Schwarz, and Mayer, Nonprofit Organizations, Selected Statutes for Nonprofit Organizations (2021) ("Statutes")

**Office Hours**  
I will not hold office hours at Hastings, but I am available to schedule times via phone or zoom; and I am happy to arrange to meet with students either before or after class.

**Grading**  
Your grade will be based on your performance on the final exam. More details on the exam will be provided during the semester.

**Attendance and Punctuality**  
Standard 304(d) of the American Bar Association mandates regular attendance. As per Hastings policy, attendance will be taken. To the extent possible, please discuss absences with me in advance. Missing over 20% of class time is grounds for administrative withdrawal. Please also make every effort to be punctual. Repeated tardiness or absences will negatively impact your grade.

**Class Participation**  
I employ “cold calling,” but in a (hopefully) non-stress-inducing way. Consider it an opportunity to show how much you know.

**Recording Classes**  
All classes will be audio-recorded and made available to all students. Please do not otherwise record class without my permission.
**Accommodations**
Students with disabilities should contact the Disability Resource Program at 415-565-8948 or DRP@uchastings.edu to request accommodations for all course-related needs.

**Assignment List**
The tentative assignment list is below. As needed, I will post updated versions of the assignment list as the semester continues. The assignments are not of equal length; we may spend more or less than one class on each.

**Class I: January 13, 2022**

**Introduction -- The Nonprofit Sector: An Overview**
FSM: pgs. 3-45; problem pgs. 44-45
Statutes:
- I.R.C. §§ 501(a)-(c); 170(a)(1),(c); 509(a)
- Calif. Corp. Code § 5410, first sentence only

**Class II: January 20, 2022**

**Formation of a Nonprofit Organization**
FSM: pgs. 49-63, problem pgs. 62-63
pgs. 72-81; problem pg. 81
Statutes: pgs. 906-923
- Calif. Corp. Code §§ 5111; 5130
- Skim sample organizational forms pgs. 883-895

**Class III: January 27, 2022**

**Charitable Tax Exemptions:**
- **Rationale for Tax Exemption & 501(c)(3) Basics**
- **Specific Charitable Exemption - Hospitals & Health Care**
FSM: pgs. 287-317
pgs. 317-339; problems pgs. 339-340
Statutes:
- I.R.C. § 501(c)(3)
- Regs. §§ 1.501(c)(3)-1(a), (b)(1)-(4), (c)(1)-(2)
- Look at Form 990, Sch. H pgs. 982-991
Class IV: February 3, 2022

**Other Specific Areas of Exemption Under Section 501(c)(3)**

a. Public Interest Law Firms  
   FSM: pgs. 340-347; problem pgs. 346-347

b. Community Development and Low-Income Housing  
   FSM: pgs. 347-354; problem pg. 354

c. Protection of the Environment  
   FSM: pgs. 354-359; problem pg. 359

d. Educational Organizations  
   FSM: pgs. 396-415, problems pg. 415  
   • Reg. § 1.501(c)(3)-1(d)(3)

Class V: February 10, 2022

**The Public Policy Limitation**

**Religious Organizations**  
FSM: pgs. 367-396; problems pgs. 395-396  
pgs. 415 - 433; problems pgs. 432-433

Class VI: February 17, 2022

**Nonprofit Operation and Governance, Fiduciary Duties**

a. Directors, Trustees And Members  
   FSM: pgs. 123-137  
   Statutes: Calif. Corp. Code §§ 5210

b. Duty of Care  
   FSM: pgs. 137-162; problems pgs. 160 - 162  
   Statutes: Calif. Corp. Code §5231

c. Duty of Loyalty  
   FSM: pgs. 167 -187; problem pg. 187  
   Statutes: Calif. Corp. Code §§ 5227; 5233(a)-(d), (g), (h); 5235; 5236;

Class VII: February 24, 2022

**Charitable Trust, Cy Pres and Deviation**

FSM: pgs. 81-100; problems pg. 100  
pgs. 101-105; problems pgs. 104-105  
pgs. 105-121
Class VIII: March 3, 2022

Inurement and Private Benefit; Intermediate Sanctions
FSM: pgs. 449-482; problems pgs. 480-482
Statutes:
- I.R.C. § 501(c)(3); look at §4958
- Reg. §§ 1.501(c)(3)-1(c)(2); Reg. §§ 1.501(c)(3)-1(f); 52.4958 as needed for problems
- Look at Form 990, Sch. J

Class IX: March 17, 2022

Lobbying and Political Campaign Activities
a. Lobbying
   FSM: pgs. 482-502; problems pgs. 500-502
   Statutes:
   - I.R.C. §§501(c)(3); 504; 4912; 170(f)(6)
   - Reg. §1.501(c)(3)-1(c)(3); Reg. §1.501(h) and §56.4911-1 through §56.4911-7
   - Look at Form 990, Sch. C
b. Political Campaign Tax Limitations & Alternative Structures
   FSM: pgs. 502-516; 537-542; 543-546; problems pgs. 542-543
   Statutes: I.R.C. §§501(c)(4); skim pg. 527
c. Nontax Regulation & Citizens United
   FSM: pgs. 546-550

Class X: March 24, 2022

Private Foundations, Public Charities, and other Foundation Alternatives
a. The Universe of Private Foundations
   FSM: pgs. 707-724
b. Private Foundations, Public Charities, and Alternatives
   FSM: pgs. 725-735; 742-747; problems pgs. 746-747
   Statutes: I.R.C. §§ 509; 170(b)(1)(A); 507(d)(2); 4946
c. Types of Public Charities
   FSM: pgs. 750-759; problems pgs. 758-759
Class XI: March 31, 2022

Commercial Activities and the Unrelated Business Income Tax

a. Introduction
   FSM: pgs. 575-578

b. Impact of Commercial Activities on Exempt Status
   FSM: pgs. 578-581
   • Reg. § 1.501(c)(3)-1(b)(1)(i), (iii), -1(c)(1), -1(e)

c. UBIT Doctrines, History and Policy
   FSM: pgs. 581-606 [ok to skim]

d. Nature of an Unrelated Trade or Business
   FSM: pgs. 606-637; problems pgs. 635-637
   Statutes: I.R.C. §§ 511(a), (b); 512(a)(1); 513(a), (c), (f), (h), (i);
   skim § 513(d)
   • Regs. §§ 1.513-1 as necessary, -4 & -7

e. Exclusions from Unrelated Business Taxable Income
   FSM: pgs. 637-644; problems pgs. 643-644
   Statutes:
   • I.R.C. §§ 512(b)(1)-(5), (7)-(9), (15)
   • Regs. §1.512(b) as necessary

Class XII: April 7, 2022

Charitable Contributions

a. Basic Principles
   FSM: pgs. 850-890; problems pgs. 888-890
   Statutes: I.R.C. §§ 170(c), (f)(8); 6113; 6115

b. Contributions of Property
   FSM: pgs. 890-918; problems pgs. 916-918

Class XIII: April 14, 2022

Philanthropy in the Next Decade & Review

a. Social Enterprises and Hybrid Entities
   FSM: pgs. 703-705

b. Online Philanthropy and Social Media
   Materials TBD