

PRIVATE FOUNDATIONS AND THEIR ALTERNATIVES

Professor Jill Manny

Fall 2025

August 26 and September 2— Introduction

Purchase the casebook entitled "Cases and Materials on Nonprofit Organizations, Sixth Edition,"¹ by Fishman, Schwarz, and Mayer, either in hardcopy or digital form. Click on this [link](#) to access the Student Update Memo.²

1. In the Casebook, read:

pp. 307 – 317, 707 – 745, 760 – 766.

2. Read:

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

Regs. § 1.501(a)-1; 1.501(c)(3)-1.

3. Read these articles posted on Brightspace:

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>.

Elon Musk Has a Giant Charity. Its Money Stays Close to Home., N.Y. Times, March 10, 2024 <https://www.nytimes.com/2024/03/10/us/elon-musk-charity.html>.

C. Eugene Steuerle and Benjamin Soskis, "Taxes and Foundations: A 50th Anniversary Overview," *Tax Policy Center*, February 8, 2020, https://www.urban.org/sites/default/files/publication/103608/taxes-and-foundations-a-50th-anniversary-overview_3.pdf.

Daniel Hemel & Joseph Bankman, *Should Foundations Give Now or Later? There Is No Right Answer*, CHRON. PHILANTHROPY, July 2020, at 31, <https://www.philanthropy.com/article/should-foundations-give-now-or-later-there-is-no-right-answer>.

¹ Be sure to purchase this title and not "Taxation of Nonprofit Organizations" by the same authors.

² Read all sections of the Student Update Memo that correspond to the pages assigned for each class.

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>.

September 9—Private Foundation vs. Public Charity

1. In the Casebook, read:

pp. 747 - 758. Prepare a written outline of your answers to Problems 1.(a), (b), and (f) on pp. 745 – 746 and the Problem on pp. 758 – 759 for your own reference during class discussion.

2. Read (or reread):

Code §§ 170(a), (b); 508(a), (b), (c); 507(d)(2); 509.

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

September 16—Private Foundation Excise Taxes

Tax on Net Investment Income

1. In the Casebook, read:

pp. 775 – 777.

2. Read:

Code § 4940.

Self-Dealing

1. In the Casebook, read:

pp. 778 – 792, 822 – 824. Prepare a written outline of your answers to Problems 1(a) – (g) and 2 on pp. 792 – 794 for your own reference during class discussion.

2. Read:

Code §§ 4941(a), (b), (c), (d)(1), (2)(A)–(G), (e); 4946; 507.

Regs. §§ 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.

September 23— Private Foundation Excise Taxes

Taxable Expenditures

1. In the Casebook, read:

pp. 812 – 821. Prepare a written outline of your answers to Problems (b) – (e), (g), and (i) on pp. 821 – 822 for your own reference during class discussion.

2. Read:

Code § 4945

Regs. §§ 53.4945-1(a), (d), -3 (skim), -4, -5, -6.

Excess Business Holdings

1. In the Casebook, read:

pp. 803 – 808. Prepare a written outline of your answers to the Problem on pp. 808 – 809 for your own reference during class discussion.

2. Read:

Code § 4943(a), (b), (c)(1) – (3), (5) – (7), (d); skim 4943(c)(4).

Regs. §§ 53.4943-1, -3(a), (b), -6(a).

September 30—Private Foundation Excise Taxes and Termination

Jeopardy Investments and Program Related Investments

1. In the Casebook, read:

pp. 809 – 811. Prepare a written outline of your answers to the Problem on pp. 811 – 812 for your own reference during class discussion.

2. Read:

Code § 4944.

Regs. §§ 53.4944-1, -3(a), (b).

Charitable Distribution Requirements

1. In the Casebook, read:

pp. 794 – 801.

2. Read:

Code § 4942(a) – (e), (g)(1) – (3), (h), (j)(1), (2), and (4).

Termination of Private Foundation Status

1. In the Casebook, read:

pp. 822 – 824.

2. Read:

Code § 507

October 7 – Private Foundation General Counsel Panel