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March 13, 1998

BY OVERNIGHT MAIL

Brenda Ivery-Rivers
Internal Revenue Service
Federal Building
400 North 8th Street Room 480
Richmond, VA 23240

Re: The National Center on Philanthropy and the Law
Employer Identification Number 13-3954405
DLN 17053288026007

Dear Ms. Ivery-Rivers:

We are writing on behalf of The National Center on Philanthropy and the Law (the "Center") in response to your letter dated February 23, 1998 in which you asked for additional information with respect to the Center's Application for Recognition of Exemption. The numbered responses below correspond to the numbered requests in your February 23rd letter.

1. Enclosed please find Form 2848 which has been executed by the Secretary of the Center.
2. Publishing Activities of the Center: The Center publishes conference materials and articles written by students, all of which focus on issues in non-profit law. The published materials directly further the Center's purposes in that the materials educate the public about issues of non-profit law.

Unlike publications by a for-profit entity, the publications sold by the Center are sold for cost; no profit is made by the Center publishing conference materials and student articles. The published materials are not sold in bookstores but rather through mailings directed at individuals and entities on the Center's mailing lists. Significantly with respect to the non-commercial manner in which the Center's materials are published and sold, the materials do not contain advertising, the Center does not profit by publication of the materials and the topics of the publications are selected based solely on their value in educating the public on non-profit issues in furtherance of the Center's purposes.

For your information, attached is another copy of a list of the Center's publications, which clearly demonstrates that the publications are directly related to the Center's purposes.

3. Rights to the Student Articles: The copyrights, titles, and similar interests in the materials prepared in furtherance of the Center's purposes are retained either by New York University, the supported organization, or the Center. No royalties have been, or will be, paid for the materials.

4. Job Placement and Career Counseling: No fees are charged for job placement and career counseling provided by the Center. The primary beneficiaries of the Center's job placement and career counseling services, students of New York University School of Law, learn about the services through the School of Law's Placement Office and the Public Interest Law Center. Other individuals learn of the Center's services as a result of the Center's reputation and by word-of-mouth.

5. Rockefeller Brothers Fund Fellowship in Nonprofit Law: The Fellowships offered by the Center permit one fellow each year to spend one year in residence at the Vera Institute of Justice. The Vera Institute is an exempt corporation under section 501(c)(3) of the Internal Revenue Code. A more detailed description of the Fellowships is contained in a brochure and application in connection with the Fellowships, which is attached hereto.

6. Compensation of Officers, Directors and Trustees: None of the individuals who provide services to the Center are employees of the Center or otherwise compensated by the Center. Rather, individuals providing services to the Center are employees of the supported organization, New York University, and are compensated by New York University (although the Center reimburses the University for those costs). The salaries of both the Director and Executive Director of the Center, who are also on the faculty of New York University School of Law, were determined by the Dean of the School of Law, with the approval of New York University, the supported organization, prior to the Center's incorporation. Both the Director and Executive Director of the Center were members of the School of Law's faculty prior to assuming roles at the Center and provided services to the Center when it operated as a program of the School of Law; their respective salaries have not changed as a result of their roles at the Center, except for cost of living adjustments. In the event that the Center hires its own employees, any salary, wages or other compensation paid to such employees will be approved by the Center's directors based upon a determination that such salaries are reasonable and commensurate with the duties and working hours associated with such employment and with the compensation ordinarily paid persons with similar positions or duties.

The Director of the Center, Professor Harvey P. Dale, is a graduate of Harvard Law School and has been a Professor of Law at New York University School of Law for over twenty years. Professor Dale is a recognized expert in the field of non-profit law, having served as consultant or member of numerous organizations and entities addressing issues of non-profit law. The Executive Director of the Center, Professor Jill Manny, is

a graduate of the Columbia University School of Law and has been a full-time faculty member at New York University School of Law since 1993. Professor Manny teaches courses on non-profit law and has written and spoken on a variety of non-profit legal issues.

Finally, with respect to the Statement of the Board requested in your letter, the Center shall submit such a statement under separate cover as soon as it is executed by each of the Board members.

7. "Chaired Professorship": The term "Chaired" or "Endowed" Professorship means a professorship supported by a fund maintained in an endowed account, the principal of which is invested and the income of which is used to support the professor's salary.

8. Conference Programs: Attached please find agendas for the following conferences sponsored by the Center: Governance of Nonprofit Organizations: Standards and Enforcement, Conversion Transactions: Changing Between Nonprofit and For-Profit Form, and Mini-Conference on Intermediate Sanctions.

9. Information pursuant to line 22 of page 8 of the Center's 1023 application: As set forth on page 5 of the attachment to the Center's 1023 application, these expenses include library collection and maintenance costs, printing and publications costs, travel expenses, expenses related to board meetings and other contingencies. In addition, pursuant to your request, attached please find the operating budgets for the Center for the years 1995-96 through and including 2004-05.

10. Permanent Dedication of the Center's Assets Pursuant to its Certificate of Incorporation: You state in your letter that the Center's Certificate of Incorporation should be amended to permanently dedicate the Center's assets to the exempt purposes of section 501(c)(3) of the Internal Revenue Code. However, because the Center's Certificate already explicitly provides for its assets to be permanently dedicated for public purposes, such an amendment is not necessary.

As you can see, paragraph Eighth of the Center's certificate provides that, upon dissolution, the assets of the Center must be distributed to New York University, provided that the University is a "qualified organization." Pursuant to paragraph Fourth of the Certificate, a "qualified organization" is defined as an organization described in section 501(c)(3) of the Internal Revenue Code.^{1/} The Certificate further states that if the University is no longer a qualified organization at the time of the Center's dissolution, then the Center's assets will be distributed to such other qualified organization (i.e., organization described in section 501(c)(3)) which engages in activities substantially similar to those of the Center. There can be no doubt from the explicit language of the

^{1/}Pursuant to the Center's Certificate of Incorporation, a "qualified organization" may be a private foundation operated exclusively for charitable purposes as set forth in section

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Center's Certificate that its assets are permanently dedicated for exempt purposes as required by the Internal Revenue Code. Accordingly, no amendment of the Center's Certificate is necessary.

11. New York State Not-for-Profit Corporation Law ("NPCL"): Pursuant to your request, enclosed please find copies of section 102 and 201 of the NPCL.

We trust that we have provided you with all of the information requested in your February 23rd letter which will enable you to grant the Center's request for exemption under section 501(c)(3) of the Code. If you need any further information, please do not hesitate to contact me.

Very truly yours,


Pietrina Scaraglino
Assistant General Counsel