bodman

Exempt Organizations and Impact Investing

achieve your mission

Fostering more equitable communities. Helping those in need. Supporting sustainable social impact. That is the business of exempt organizations and the passion of those who support their work, including Bodman's Exempt Organizations and Impact Investing Group.

The representation of tax exempt organizations has been a specialty of Bodman for decades. Our clients range from private family foundations and community-based nonprofits to major institutions and organizations with worldwide activities. We also advise professional and trade associations, chambers of commerce, social welfare organizations, religious organizations, and other tax-exempt entities, as well as impact investors, impact funds, and social enterprises, in all aspects of their philanthropic activities and business operations.

We have helped clients structure and maintain dozens of private foundations and public charities. Our attorneys also serve as directors or officers of numerous private foundations and other nonprofit and charitable institutions, which gives us unique insight into the responsibilities of officers and directors of nonprofits and the cutting edge legal developments that affect their operations. Our leadership extends to many professional organizations that serve nonprofit and exempt organizations and their benefactors. For example, practice group Co-Chairs Jennifer Oertel and Celeste Arduino also co-chair of the State Bar of Michigan's Nonprofit Corporations Committee, and Ms. Oertel also serves as the Impact Investing Expert in Residence for the Council of Michigan Foundations.

Prestigious journals have recognized our leadership in this area by listing members of our Exempt Organizations and Impact Investing Practice Group as top practitioners in the law of nonprofits. *The Best Lawyers in America* currently lists two of our attorneys as leading practitioners for Nonprofit/Charities Law. *DBusiness* magazine lists four Bodman attorneys as "Top Lawyers" for nonprofit and charities law and *Michigan Super Lawyers and Rising Stars* lists two of our attorneys under Nonprofit Organizations Law. In addition, national business publication *U.S. News* has ranked

Bodman at the highest level for nonprofit and charitable organizations law expertise in Southeast Michigan.

Our multidisciplinary team draws upon the skills of attorneys in a broad range of practice areas, including experts in corporate, mergers and acquisitions, real property, labor and employment, estate planning, intellectual property, employee benefits, and other practice areas, to offer a coordinated approach to providing legal services to our tax-exempt clients.

SERVICES

Our team has significant experience in all aspects of tax-exempt and charitable organization tax matters, including:

- Corporate formation and organization, including hybrid and specialty entities such as social purpose corporations, public benefit corporations, public benefit limited liability companies (PBLLCs), and low-profit limited liability companies (L3Cs)
- Obtaining and maintaining tax-exempt status
- Corporate governance matters
- Director and officer liability matters
- Advising on conflicts of interest, self-dealing, and excess benefit transactions.
- Mission-related and program-related investments
- Revenue generating activities, including unrelated business income tax considerations
- Structuring and negotiation of significant charitable donations and impact investments
- Impact Fund formation
- Community foundations, donor-advised funds, and endowment funds
- Charitable gift planning
- Mergers, acquisitions, joint ventures, and asset sales
- Structuring and negotiation of significant impact investments
- Fraternal organizations
- Structuring of foreign and special purpose grants
- Compliance reviews
- Government relations
- Advocacy, lobbying, and political activity
- Tax return issues
- Dissolution and liquidation of nonprofit entities
- Ongoing counseling to nonprofit and exempt organizations on the broad range of day to day legal business concerns they face

Representative projects handled for nonprofit and exempt organizations include:

- Negotiated a fiscal sponsorship model to facilitate co-funding of “big bets” projects in early childhood among several national foundations.
- Designed and implemented a structure for a regional umbrella economic development ecosystem.
- Drafted template community foundation fund agreements to be utilized by the sector.
- Secured IRS approval for a private foundation set aside to finance a major university’s sports stadium.
- Provide general counsel representation to several statewide member organizations that serve funders.
- Worked with a private foundation to form a public/private partnership that provided a $50 million grant to the Detroit Riverfront Conservancy.
- Assisted an influential foundation leader in preparing a white paper detailing the nonprofit sector’s own reform proposals in response to the U.S. Senate Finance Committee’s consideration of legislation similar to Sarbanes-Oxley that would affect nonprofits.
- Represented a charitable foundation in connection with the sale of limited partnership interests, totaling more than $100 million, to various major private funds.
- Helped private foundations and individual donors structure numerous charitable bequests, including a $7 million donation to rebuild Meadowbrook Hall on the campus of Oakland University, and the largest donation ever made to a private college in Michigan.
- Advised a charitable foundation in connection with its participation in a public-private partnership with the U.S. Department of Education to create a national after-school program benefiting inner-city children.
- Assisted a private foundation in developing and streamlining philanthropic procedures for gifts made in developing countries.
- Assisted a commercial bank’s trust department, in its role as trustee of a number of charitable trusts, in connection with a review of more than 100 bank customers, primarily private foundations and donor advised funds. Our review included analysis of the organizations’ grantmaking practices, 990-PF filings, and other factors, to determine their compliance with federal tax laws.
- Successfully represented a nonprofit in litigation involving alleged breaches of fiduciary duty by directors and officers.
- Helped many tax-exempt organizations develop and implement codes of ethics, audit committee charters, and other improved governance practices.