

Nonprofit Law
Spring 2013
Professor M. Fleischer

On our first day of class, we will discuss Unit IA, which provides an introduction to the nonprofit sector. Please do the readings assigned below, spend a few minutes visiting the websites listed, and think about the questions that follow. On Wednesday the 16th, we will discuss Unit IB, which examines why an organization might choose to operate as a nonprofit rather than a for-profit. On Wednesday the 23rd, we will discuss the theoretical and policy rationales for the special tax treatment that the sector receives. (Note that we do not have class on Monday, January 21 due to Martin Luther King Day). Those assignments are on the class TWEN page, as is a syllabus. Further assignments shall be posted shortly.

Unit IA: Introduction to the Nonprofit Sector

Fishman Schwarz: Pages 2-14, 25-30, and 39-44.

Selected Statutes: Model Nonprofit Corporation Act (3d ed.) (“MNCA3”) § 6.40 (Colorado’s act is based on the MNCA3)

Additional Materials: Briefly visit the following sites: www.denverartmuseum.org; www.dawsonschool.org; <http://coloradodiscoverability.org/>; <http://www.coorsfoundation.org/>; www.bouldercc.org; <http://www.now.org/>; <http://www.pgatour.com/>

1. Spend a few minutes poking around the websites listed above, noting the similarities and differences between the purposes and activities of the organizations. Are all of these tax-exempt? Which are eligible to receive tax-deductible contributions?
2. Spend a few minutes poking around the web trying to find the strangest (whatever that means to you) nonprofit group that you can. What does this group do? Why are you surprised that it is nonprofit? Do you think it should merit special tax treatment? You can visit <http://apps.irs.gov/app/pub78> to determine whether the group does, in fact, receive special treatment under the federal tax system. (As we shall see, not all nonprofits receive special tax treatment. The subgroup of nonprofits that do receive special tax treatment are generally referred to as “charities.”).
3. Now spend a few minutes picking a charity (that is, an organization listed in Publication 78 that is eligible to receive deductible contributions) that interests you (it can be the same group you found above, if you like). What does this group do? Why is it a charity? Where does its money come from? Where does its money go? Who runs it? What is the salary of the highest-paid person? How much can you find out about its activities and governance on its website? Go to www.guidestar.org and get a copy of its latest Form 990 (Guidestar registration is free). Can you find out more from the 990? Bring the 990 to class.