

**NONPROFIT LAW
(PSC 511N)**

Day/Time: Wednesday 1830-2120
Building/Room:

Instructor: Robert W. Saunders
Phone: 919.649.4097
Email: rsaunders@brookspierce.com

Purpose of the Course

This course is intended to introduce basic principles of law applicable to nonprofit organizations.

Required Reading

There is no required text. Most, if not all, of the reading materials will be available on the internet. Hard copies and some materials not available on the internet will be made available to you prior to class.

Course Requirements and Grading

Class participation	25%
Examination	75%

Class Schedule and Reading Assignments

I. Wednesday, August 24, 2016: Session One: Overview

- A. United States legal system
- B. State statutes – Choice of entity, organizational matters
- C. Federal statutes – Exemption from federal income tax
- D. Future of Tax Exempt Organizations: The Fourth Sector and Social Entrepreneurship

No required reading.

II. Wednesday, August 31, 2016: Session Two: North Carolina Nonprofit Corporations

- A. Forming the corporation
- B. Adopting Bylaws and Electing your Board of Directors
- C. Directors and officers: Conflicts of Interest; Indemnification; Insurance
- D. Executive Compensation
- E. Charitable Solicitation Licensing

Required reading prior to Session Two: Marshall, “Incorporating Your Non-Profit n North Carolina,” North Carolina Department of the Secretary of State, available at <http://www.secretary.state.nc.us/corporations/> (click on the link to “Nonprofit Corporation” under “Guidelines to Incorporating”);

Additional reading required to be completed prior to Session Two to be announced.

III. Wednesday, September 7, 2016: Session Three: Federal Income Tax, Part I

- A. Section 501(c) – Types of tax-exempt organizations
- B. Section 501(c) (3) - public charities and private foundations
- C. Form 1023 and Form 1023-EZ – Applying for the Exemption
- D. Form 990 – Annual Information Return

Required reading prior to Session Three: Pages 16-50 of Internal Revenue Service Publication 557, “Tax-Exempt Status for Your Organization,” available at <http://www.irs.gov/pub/irs-pdf/p557.pdf>; Internal Revenue Service Publication 4220, “Applying for 501(c) (3) Tax- Exempt Status”, available at <http://www.irs.gov/pub/irs-pdf/p4220.pdf>.

Additional reading required to be completed prior to Session Three to be announced.

IV. Wednesday, September 14, 2016: Session Four: Federal Income Tax Part II

- A. Private inurement and private benefit
- B. Intermediate sanctions
- C. Unrelated business income tax

Required reading prior to Session Four: Pages 16-46 (“Section 501(c)(3) Organizations”) of Internal Revenue Service Publication 557, “Tax-Exempt Status for Your Organization,” available at <http://www.irs.gov/pub/irs-pdf/p557.pdf> ; Internal Revenue Service Publication 598, “Tax on Unrelated Business Income of Exempt Organizations” available at <http://www.irs.gov/pub/irs-pdf/p598.pdf> ;

Additional reading required to be completed prior to Session Four to be announced.

V. Wednesday, September 21, 2016: Session Five: Funding, Lobbying and Political Activities; Endowments

- A. Tax issues regarding the lobbying activities of the nonprofit
- B. Tax issues regarding the political activities of the nonprofit

Reading required to be completed prior to Session Five to be announced.

VI. Wednesday, September 28, 2016: Session Six: Review and Final Exam

- A. Review of key principles
- B. Examination