



CHARITABLE ENTITIES

It has been our distinct pleasure to work with individuals and organizations alike, at all levels of philanthropic activity, as clients of the Firm. We provide legal and tax counsel to clients in drafting private trust documents to facilitate charitable giving as an element of their estate plans, and we provide legal, corporate and tax counsel to new and established non-profit organizations. Needless to say, the effective formation of a public, non-profit entity calls for specialized knowledge and experience in multiple, inter-related areas of law. Our attorneys have assisted more than one exasperated client with the legal documentation required to establish the appropriate entity and the burdensome tax forms required to apply for recognition as a tax-exempt organization, and we routinely advise established non-profits with issues presented in their ongoing operations. We have also assisted high net worth families with the achievement of their goals to establish a private foundation for their charitable, religious and educational purposes.

PUBLIC CHARITIES (NON-PROFITS)

Once the IRS grants tax-exempt status to a public charity, numerous tax and legal issues arise in the normal course of operations. The charity's tax-exempt status affects all aspects of the organization, including the manner in which it solicits contributions, conducts its activities, pays its employees, and invests its funds. The organization must file special income tax returns and may also be required to pay tax on income arising from unrelated business activities. Congress and the IRS have also collaborated to impose punitive taxes and fines designed to discourage certain entities from engaging in conduct frowned upon by them, such as self-dealing between the charity and its officers and directors. These thorny, and costly, issues can be prevented with the timely involvement of experienced counsel.

NON-PROFIT ORGANIZATIONS

Contrary to traditional assumptions, the majority of tax-exempt entities are not charitable organizations. Rather, they are referred to as non-charitable non-profit organizations, such as business leagues, civic and homeowner's associations, and social and rec-

reational clubs. Accordingly, the rules and regulations which apply to obtaining and maintaining tax-exempt status for these “non-charitable” entities are considerably different than those governing public or private charities. Moreover, each type of non-charitable non-profit organization operates under a separate subset of rules and regulations, a factor which emphasizes the need for competent legal and tax advice for these tax-exempt entities.

PRIVATE FOUNDATIONS

Our legal and tax work on behalf of private foundation clients includes advising and assisting individuals who wish to establish a foundation about the complexity of the tax code and regulations governing these entities. In the case of private foundations suffering from poor planning and administration, we have assisted foundation clients with restructuring the entity’s affairs in order to avoid the loss of critical assets while also avoiding excise taxes. There are myriad issues unique to the creation and operation of private foundations, both large and small, and our attorneys have experience in working with clients to protect their tax-exempt status and maintain the goals of the foundation.

PLANNED GIVING

Many of our estate planning clients seek advice as to the optimal vehicle for devoting a substantial portion of their accumulated wealth to charitable causes which they have supported during life. Depending upon the needs of the individual client, the nature of the charitable undertaking, the present or post-mortem completion, and the tax implications, a charitable gift may be structured in a variety of ways (although the structure itself, once chosen, must be strictly observed). We are often retained to prepare several scenarios for clients in order to illustrate, for example, the differing effects of direct cash gifts as compared to gifts to a charitable remainder trust on one’s current and future income tax liabilities. Charitable trusts are often used as a conduit beneficiary for retirement plan assets or as a vehicle to defer income tax on the conversion of non-productive real property. Whether charitable gifts happen during life or upon death (or both), planned giving is the most efficient way to make them happen.