RECOMMENDED TEXTS:


Michael I. Sanders, *Joint Ventures Involving Tax Exempt Organizations* (4th Ed.) (Available at Reserve Desk.)

ADDITIONAL READING/GULC CANVAS:

Additional reading assignments, exam information and current developments in the field will be posted to the Canvas course site. The URL link is:

Please check the site each week prior to class.

* Under the revised course withdrawal rules, you may withdraw from this class with an Academic Advisor’s permission up until the last scheduled class for this course (December 2, 2015, as specified in this syllabus). Please refer to the Student Handbook for more information about requesting to withdraw from a course after add/drop.
SCHEDULE OF CLASSES AND ASSIGNMENTS

CLASS I: SEPTEMBER 2             SANDERS

TOPIC:  Introduction. Brief overview of subject matter; background of tax-exempt organizations; discussion of rationale underlying tax exemption; exemption as an instrument of social policy, and recent Congressional action.

ASSIGNMENT:  

(1) Reading Supplement Compendium I (Skim)

(2) Optional: Sanders, Chapter Two, Sections 2.1-2.5

CLASS II: SEPTEMBER 9            SANDERS/LOUGH/MADRIGAL

TOPIC:  Obtaining and Maintaining Tax-Exempt Status. IRS procedures for applying for exemption; ruling requests and technical advice memoranda; reliance by donors; appeals; IRS abusive tax shelter program; declaratory judgment procedures; reporting and filing requirements including new Form 990 and schedules, and disclosure of returns; IRS revocation of tax-exempt status of 275,000 organizations for failure to file annual returns for three years and the reinstatement process; June 2012 Advisory Committee Report: Recommendations for Revising Form 1023; IRS backlog.

ASSIGNMENT:  

(1) IRC: §§ 508, 7428, 170(f)(8), 6033(a)-(b), (e), (j), (k) [skim: (c)-(d), (g)-(i), (k)-(l)], 6104(a)(1)(A), (b), (c)(1), (d) [skim: (a)(1)(B)-(a)(3), (c)(2)], 6652(c), 6685.


(4) IRS Form 1023 and Checklist, Application for Recognition of Exemption. [Skim.]

(5) IRS Form 990, Return of Organization Exempt From Income Tax (available at irs.gov). [Skim.]

(6) Reading Supplement Compendium II

(7) Optional: Sanders, Chapter Two, Sections 2.6-2.7 and Section 2.9.
CLASS III: SEPTEMBER 16  SANDERS

TOPIC: Charitable Organizations and Tax Exemption. Organizational and operational tests; “public benefit”; “private inurement”; “intermediate sanctions”; and discussion of rulings on “charitable” organizations, including IRS Final Report on Nonprofit Colleges and Universities compliance project.

ASSIGNMENT: (1) IRC: §§ 170(c), 501(c)(3), 501(e), 4958

(2) Treas. Regs.: §§ 1.501(c)(3)-1(b), 1.501(c)(3)-1(c), 1.501(c)(3)-1(e), 1.501(c)(3)-1(d)(2), 53.4958-1 through 53.4958-8 [skim].

(3) IHC Health Plans, Inc., v. Commissioner, 325 F.3d 1188 (10th Cir. 2003).

(4) United Cancer Council, Inc. v. Commissioner, 165 F.3d 1173 (7th Cir. 1999).


CLASS IV: SEPTEMBER 23  SULLIVAN/HYATT

TOPIC: Hospitals and Joint Ventures Involving Tax Exempt Organizations. New IRC §501(r) and related provisions, and the impact of recent Supreme Court decisions on Obamacare.


(2) Redlands Surgical Services v. Commissioner, 113 T.C. 47 (1999) a’fffd per curiam 242 F.3d 904 (9th Cir. 2001).


(4) IRS Form 990 Schedule R and model joint venture participation policy [skim].

(5) Reading Supplement Compendium V: Social Entrepreneurship; Hybrid Ventures, Forgoing Tax
Exemption; excerpt from Supreme Court Hobby Lobby decision.

(6) Optional: Sanders, Chapter Four, Sections 4.1-4.2; Chapter Six, Sections 6.7-6.8 and Chapter Thirteen, Section 13.3(a)-(f).

CLASS V: SEPTEMBER 30 SANDERS

TOPIC: Charitable Organizations and Tax Exemption, Social Policy and Social Entrepreneurial. Race and sex discrimination rules; educational organizations, homes for the aged, and hospices; religious organizations and governance of nonprofit organizations.

ASSIGNMENT:

(1) IRC § 7611; § 501(c)(3), § 501(r); § 4959; § 6033(b)(15).

(2) Big Mama Rag, Inc. v. United States, 631 F.2d 1030 (D.C. Cir. 1980).


(4) Reading Supplement Compendium IV: UBIT Certification (skim).

(5) Optional: Sanders, Chapter Two, Sections 2.5 and 2.7; Chapter 12, Section 12.11.

CLASS VI: OCTOBER 7 SANDERS/LEAHY

TOPIC: Private Foundation v. “Public Charity.” Background and overview of 1969 Foundation legislation; key definitions; support tests; statutory scheme for enforcement; regulation; and reporting and termination of private foundation status.

ASSIGNMENT:

(1) IRC: §§ 509, 170(b), 507(d)(2) [skim remaining subsections of 507], 508, 4940(d), 4962, 6684, 6033(c) [skim], 6104(c)-(d) [skim], 4942(g)(4), 4942(j)(2).

(2) Treas. Regs.: §§ 1.170A-9, 1.509(a)-1 et seq. [Skim].
CLASS VII: OCTOBER 10          SATURDAY MAKE-UP                   SANDERS

TOPIC:  Private Foundations. Distribution requirements; “operating foundation” status; restrictions on business holdings and jeopardy investments; program related investments and the newly proposed regulations; tax on investment income. Foundation operating issues and for-profit subsidiaries.

ASSIGNMENT:  (1) IRC: §§ 4940(a)-(c) [skim (d)-(e)], 4942(a)-(e), (g), 4943(a)-(d), 4944, 4946.

(2) Treas. Regs.: §§ 53.4940-1 et seq., 53.4942(a)-1 et seq., 53.4942(b)-1 et seq., 53.4943-1 et seq., 53.4944-1 et seq. [skim].


CLASS VIII: OCTOBER 14           SANDERS/THOMAS/VIEUX

TOPIC:  Private Foundations (cont’d.). Program restrictions; individual and organizational grant procedures; guidelines for operation; problems of foreign equivalency; company foundation scholarship programs; and restrictions on self-dealing.

ASSIGNMENT:  (1) IRC: §§ 4941, 4945.

(2) Treas. Regs. §§ 53.4941(b)-1 et seq., 53.4941(d)-3, 53.4945-1 et seq. [skim].

(3) Optional: Sanders, Chapter Ten.
TOPIC: Unrelated Trade or Business; Corporate Sponsorship; Unrelated Debt-Financed Income.

ASSIGNMENT:

1. IRC: §§ 511, 512(a)(1), 512(b) [skim the remaining subsections of 512], 513(a), 513(i) [skim the remaining subsections of 513], 514(a)-(b) [skim the remaining subsections of 514].

2. Treas. Regs.: Regulations thereunder; especially corporate sponsorship regulations § 1.513-4 (65 FR 11012).

3. UBIT: Understanding the Rules and Current Issues (Howard Schoenfeld)

4. IRS Form 990-T (skim).


7. Optional: Sanders, Chapter Eight, Section 8.4, Chapter Nine and Chapter Fifteen, Section 15.3.

TOPIC: Lobbying and Political Activities. Restrictions on legislative and political activities of charitable organizations; impact of Citizens United v. Federal Elections Commission; enhanced role of (c)(4)’s in election activities.

ASSIGNMENT:

1. IRC: §§ 501(h), 4911, 501(c)(3), 162(e), 527(f).


(7) Branch Ministries v. Rossotti, 211 F.3d 137 (D.C. Cir. 2000)


CLASS XI: NOVEMBER 11  SANDERS/SALENS

TOPIC: International Activities of Charities; Non-Charitable Exempt Organizations. Introduction to non-charitable exempt organizations; social welfare organizations; labor unions; and title holding companies; charitable activities in foreign countries, including "friends" organizations, activities of domestic charities abroad; implications of global terrorism; Treasury guidelines; FBAR; US Patriot Act, etc.

ASSIGNMENT: (1) IRC: §§ 501(c)(2), (4), (5), (p), Regulations thereunder.

(2) Form 1024 and Instructions [skim].


(5) Form 990: Schedule F

(6) Sanders, Section 17.12(a)-(c).

(7) Reading Supplement Compendium XI: FBAR filing Requirements; see http://bsaefiling.fincen.treas.gov

(8) Optional: Sanders, Chapter Seventeen.

CLASS XII: NOVEMBER 18  SANDERS/FISH/ZANE/GREENBERG/MITCHELL/PATTERA

TOPIC: Abuse, Sanctions, and Oversight Mechanisms. Excess compensation; intermediate sanctions; congressional overview of exempt organizations; legislative prospects; hospitals, colleges and universities; accommodation parties; tax shelters; board governance; credit counseling and down-payment assistance organizations.

ASSIGNMENT: (1) IRC §§ 4958, 4961, 4965, 6033(g), 6011(g), 6652(c)(3).

(2) Treas. Reg.: Regulations thereunder.
“Governance Checksheet” to be used by IRS agents conducting audits of §501(c)(3) public charities.

Intermediate Sanctions IRC 4958 (David L. Fish) [skim].

Reading Supplement, Implications of Sarbannes-Oxley on the Non-Profit Sector [skim].

Reading Supplement Compendium X: Senate Finance Committee Investigation of American University [skim].

CLASS XIII: DECEMBER 2 (LAST CLASS) SANDERS

TOPIC: Non-Charitable Exempt Organizations (cont’d) and Review for Exam. Social clubs; business leagues and professional organizations; condominium homeowners’ associations; voluntary employees’ beneficiary associations; and grass roots lobbying. Course review and recapitulation.

ASSIGNMENT: (1) IRC: §§ 501(c)(6)-(20), 162(e).

(2) Treas. Regs.: Regulations thereunder [skim].


(4) MIB, Inc v. Commissioner, 734 F.2d 71 (1st Cir. 1984).

(5) Optional: Sanders, Chapter Fifteen.