

Managing Nonprofits Under the Law
Department of Public and International Affairs
University of North Carolina Wilmington
PLS 536, Section 001
Fall 2018

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Office Hours: By appointment

Course Description: This course explores legal issues affecting nonprofit managers and offers students an applied look at how to navigate complex legal waters when establishing and governing a nonprofit organization. Among the topics covered are the legal boundaries of charitable lobbying and political campaign activity, differences between public charities and private foundations, advantages and disadvantages of incorporation, financial reporting requirements, and a review of the many state and federal forms/applications.

***Disclaimer:** The focus of this course is more management than law. This class is not a proxy for a nonprofit law course offered by an accredited law school and intended for a legal audience. Consequently, although the professor provides some basics of nonprofit business and tax law, decisions/actions should not be made/taken on the basis of this instruction. Please retain the services of a board-certified and qualified attorney if you require legal guidance.*

Prerequisites: None

Required Books:

Hopkins, Bruce. 2017. *Starting and Managing a Nonprofit Organization: A Legal Guide* (7th Edition). New Jersey: Wiley. ISBN: 9781119380191.

Grobman, Gary. 2018. *The Nonprofit Handbook: Everything you Need to Know to Start and Run Your Nonprofit Organization* (8th Edition). Pennsylvania: White Hat Communications. ISBN: 9781929109777.

Additional readings and cases may be posted to Blackboard, accessed by going to learn.uncw.edu and selecting the appropriate course number. Please check often.

Learning Objectives

- Gain an understanding of the history of nonprofit law in the United States
- Gain an understanding of the advantages and disadvantages of the different legal forms organizations may take in NC
- Learn the basics of how to start a nonprofit in NC
- Learn the basics of nonprofit bylaws

- Gain an understanding of the laws governing nonprofit board members
- Gain an understanding of prohibitions against private benefit by nonprofit insiders
- Learn how to avoid conflicts of interest
- Gain an understanding of what it means to be a federally-recognized tax-exempt entity
- Learn how to obtain tax-exempt status
- Gain an understanding of how private foundations differ from public charities
- Gain familiarity with IRS's website, forms, and reporting requirements
- Gain an understanding of unrelated business income tax and how to avoid it
- Learn the legal distinction between advocacy and lobbying
- Gain an understanding of the limits of lobbying activity for charities
- Learn how to calculate and report lobbying activity to the IRS
- Gain familiarity with NC Secretary of State's reporting requirements
- Learn the legal boundaries protecting the purpose and administration of charitable trusts and restricted gifts
- Learn how to dissolve a charity
- Gain an understanding of state and federal charitable solicitation regulation
- Learn the basics of nonprofit liability and strategies for minimizing exposure
- Learn the fundamentals of Form 990 and its Schedules

Course Requirements

Create a Tax-Exempt Charity: Students will apply their legal expertise to create a tax-exempt charity. The instructor will provide a basic business plan for a hypothetical nonprofit, including: statements of mission & vision, a pro forma budget, summary program descriptions, a market analysis, etc. Using the business plan as a starting point, students will create governance documents and recommended policies for the hypothetical startup and complete relevant legal documents to facilitate the formation of the tax-exempt charity. Although the charity is hypothetical, the startup package should be professionally completed/presented.

Final Exam: The final exam is open notes/book. It is to be completed alone. Please do not consult classmates or other individuals.

Basis for Grade: The following table summarizes the value of each assignment as a percent of the final grade.

Assignment	Value
Weekly assignments	40%
Create a Charity	35%
Final Exam	25%
Total	100%

Course Policies

Academic Assistance: The University Learning Center (ULC) provides free services to all UNCW students. Those services include: learning services, math services, study sessions, supplemental instruction, and writing services. For more information refer to their website: www.uncw.edu/ulc

Students with Disabilities: Reasonable accommodations will be made for students with disabilities. Students with diagnosed disabilities should register with UNCW Disability Resource Center. Please provide me a copy of the letter you receive from Disability Resource Center detailing class accommodations you may need before the end of Week 1. For more information refer to their website: www.uncw.edu/disability

Academic Integrity: All members of UNCW's community are expected to follow the academic Honor Code. Academic dishonesty in any form will not be tolerated in this class. All academic integrity violations will result in a failing grade for the course and will be reported to the University. Please read the UNCW Honor Code carefully (as covered in the UNCW Student Handbook): www.uncw.edu/odos/honorcode. Please be familiar with UNCW's position on plagiarism as outlined in the UNCW Student Handbook. Plagiarism is a form of academic dishonesty in which you take someone else's ideas and represent them as your own. Please note it is also possible to plagiarize yourself. If you use your work from a previous class or assignment in this class without proper citation, it is plagiarism (i.e., using the same paper, or substantial portions of the same paper, for two classes or assignments is not acceptable). It is always best to speak to the instructor prior to submitting a paper if there is a question regarding academic integrity.

Violence and Harassment: UNCW practices a zero tolerance policy for any kind of violent or harassing behavior. If you are experiencing an emergency of this type contact the police at 911 or UNCW CARE at 910-962-2273. Resources for individuals concerned with a violent or harassing situation can be located at www.uncw.edu/wsrc/crisis.html

Campus Respect Compact: UNCW has instituted a Seahawk Respect Compact to affirm our commitment to a civil community characterized by mutual respect. All students are expected to uphold these standards in the classroom and beyond. Please read the Compact: www.uncw.edu/diversity/documents/ApprovedSeahawkRespectCompact8x10.08.09.pdf

Submission of Assignments: All written assignments must be submitted electronically in a .docx format to Blackboard. All assignments must be in Times New Roman or Cambria 12-pt font, with 1-inch margins or points will be deducted.

Late Assignments: Assignments not in the instructor's possession by the specified time on the due date are immediately subject to a ten point deduction. Each subsequent day (i.e., calendar day – including weekends and holidays) an assignment is late will be an additional deduction of ten points. If you are aware of possible conflicts before they occur, please notify the instructor at least one week in advance of any due dates to arrange alternate accommodations. Informing the instructor of your intention to be absent does not waive your obligation to submit the work that is due, even where an excused absence is granted.

Grading Policy: The following percentages represent the letter grade equivalent. Please note that percentages do not round up (i.e., 89.99% is a B+ and does not round up to 90%).

A	93 – 100%	B-	80 – 82%
A-	90 – 92%	C+	77 – 79%
B+	87 – 89%	C	73 – 76%
B	83 – 86%	F	72 or less

Semester Schedule (Subject to Change):

Module	Date	Topic	Readings	Assignments
Week 1	Aug 27 – Sep 2	Overview of Nonprofit Sector & History of NP Law	Grobman Frumkin Hopkins, Ch. 26 Fremont-Smith <i>*All of this week's readings are available on Blackboard</i>	Weekly Assignment
Week 2	Sep 3 – 9	Organizational Form	Hopkins, Ch. 1, 2, 3 & 4 Grobman, Ch. 1 & 2	Weekly Assignment
Week 3	Sep 10 – 16	Governance	Hopkins, Ch. 8 & 22 Grobman, Ch. 3-5	Weekly Assignment
Week 4	Sep 17 – 23	Private Benefit	Hopkins, Ch. 5	Weekly Assignment
Week 5	Sep 24 – 30	Tax Exemption	Hopkins, Ch. 6 & 7 Grobman, Ch. 8	Weekly Assignment
Week 6	Oct 1 – 7	Commercial Activities & UBIT	Hopkins, Ch. 13 & 23 Grobman, Ch. 25	Weekly Assignment
Week 7	Oct 8 – 14	Advocacy & Lobbying	Hopkins, Ch. 14 & 15 Grobman, Ch. 18 & 19	Weekly Assignment
Week 8	Oct 15 – 21	Cy Pres, Deviation, & Dissolution	Siegel Fishman & Schwarz Fremont-Smith Schmidt <i>*All of this week's readings are available on Blackboard</i>	Weekly Assignment
Week 9	Oct 22 – 28	Solicitation & Liability	Hopkins, Ch. 12 & 25 Grobman, Ch. 9, 14 & 15	Weekly Assignment
Week 10	Oct 29 – Nov 4	Controls, Reporting, & Oversight	Hopkins, Ch. 9, 10, 21, & 24	Weekly Assignment
Week 11	Nov 5 – 11	Final Project Due November 11 (11:59pm)		
Week 12	Nov 12 – 18	Final Exam Due November 18 (11:59pm)		