

Nonprofit & Tax-Exempt Organizations

Nonprofit and tax-exempt organizations face legal issues affecting all enterprises but they also face legal and tax issues unique to their status as nonprofit and tax-exempt organizations. Due to their special legal and tax attributes, and in light of increasing regulation and scrutiny, their need for lawyers who regularly represent nonprofit and tax-exempt organizations is increasingly paramount. For years, nonprofit and tax-exempt organizations have turned to Cozen O'Connor for help with their most daunting challenges. Our attorneys are committed to providing clients the advice and counsel necessary to meet these challenges both effectively and efficiently.

Our attorneys represent nonprofit and tax-exempt organizations such as charities, hospitals and hospital systems, religious organizations, educational institutions, trusts, foundations, trade associations, and others in general legal and tax matters and in matters unique to their status as nonprofit and tax-exempt organizations. Our interdisciplinary nonprofit and tax-exempt organizations team — with attorneys based in Philadelphia, Pittsburgh, New York, and Washington, D.C. — has decades of experience in areas including nonprofit corporate law, mergers and acquisitions, contracts, employment law, patents, trademarks and licensing, real estate, tax, public and project finance, regulatory compliance, health law, wealth management, wealth transfer, and philanthropy.

We routinely represent nonprofit and tax-exempt organizations in all legal and tax matters, including:

- formation and applying for tax-exempt status;
- organization and reorganization;
- affiliations, mergers, and joint ventures;
- charity care and collection policies;
- management agreements;
- corporate governance and compliance with corporate formalities, and director and officer guidance;
- supporting organizations;
- regulatory compliance;
- tax-exempt finance and other transactions;
- risk management, asset protection, and financial and legal controls;
- organizational efficiency;
- in-kind donation policies;
- UBTI issues;
- cause-related marketing;
- UPMIFA structuring and compliance;
- fundraising structure and compliance;
- structuring “Friends Of” organizations;
- social media policies;
- employment guidelines and policies;
- patents, trademarks, and licensing; and
- litigation.

We also provide a variety of tax-exempt organizations with government relations services, such as lobbying for government funding and advising on compliance with the encumbrances attached to the use of those funds, as well as for land use and sale of air rights. Our attorneys also assist high net worth individuals and families in forming private foundations and charitable trusts. Additionally, we serve as outside general counsel for a number of our clients, providing a seamless solution to their day-to-day legal needs.

Our nonprofit and tax-exempt organization clients know they can count on us to understand not only



David Tiger
Member

dtiger@cozen.com
Phone (202) 912-4899
Fax (202) 861-1905

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the issues they face by virtue of their nonprofit/tax-exempt status, but also to understand their mission, culture, goals, and challenges. Our team's mission is to help our clients navigate the increasingly complicated set of rules that govern mission-driven organizations. We manage the thickets and thorns so that our clients can cultivate the forest.

Experience

Represented Steinman Communications in connection with its gift of LNP Media Group, owner of local newspapers and a marketing agency in Lancaster, Pennsylvania, to WITF, a Section 501(c)(3) public media organization, establishing the Steinman Institute for Civil Engagement. The representation involved structuring, negotiating, and documenting all aspects of the transaction.

Represented a quasi-public, not-for-profit entity in its acquisition of a \$19 million assemblage of property in Brooklyn.

Assisted a nonprofit client, which manages public spaces for the City of Santa Monica, Calif., with the development of a licensing program for vendors in a high-volume visitor center and tourist traffic area directly across from the iconic Santa Monica Pier. This representation included structuring the form of agreement and documenting the first licenses to vendors, consistent with underlying agreements with the City of Santa Monica.

Secured \$34.25 million in public funding in New York City's FY19 Budget for 23 non-profit clients, including the Whitney Museum, New York University, The Intrepid Museum, the Children's Museum of Manhattan, City Parks Foundation, and Alvin Ailey, as well as number social service and smaller arts organizations. The funding includes more than \$26 million in capital funding for construction and large equipment purchases and more than \$8 million in expense dollars to support diverse program funding for all five boroughs. Our budget lobbying efforts involved identifying eligible projects, drafting compelling narratives that were presented to key decision-makers, and months of constant advocacy by our team. The resulting funding will benefit thousands of people who use and enjoy the mission-driven organizations we represented.

Represented a non-profit entity in connection with its multi-million dollar interest in a sharply litigated trust and estate matter.

Obtained dismissal of an Article 78/declaratory judgment proceeding on behalf of a not-for-profit farming cooperative in a matter centered on competing interpretations of an agricultural easement and restrictive covenant.

Served as co-underwriters' counsel on an approximately \$28.8 million bond financing for a large urban housing authority which financed the acquisition, construction, renovation, improvement, furnishing, and equipping of a new office building through a loan to a non-profit development corporation, where the building will be leased by the housing authority for use as its corporate headquarters.

Represented The Baptist Home of Philadelphia in the sale of Deer Meadows Retirement Community, a Pennsylvania not-for-profit continuing care retirement facility, a skilled nursing and rehabilitation center, and a personal care center located in Philadelphia.

Represented a nonprofit continuing care retirement community in obtaining Orphans' Court and Attorney General's approval to consummate a change of ownership transaction.

Represented a non-profit before the Philadelphia Zoning Board of Adjustment and obtained variances to permit the use of a commercial kitchen in the non-profit's residential building.

Represented a Philadelphia-based nonprofit research park in connection with the negotiation of

construction contracts pertaining to the build-out and renovation of tenant space and common areas covering buildings located over seven blocks in West Philadelphia. Also represented the client in connection with the development of several office towers and a residential tower to be located on the campus, comprising, when completed, office, laboratory (wet lab and dry lab), residential, and parking facilities.

Won a favorable verdict for a non-profit co-op in a claim that the USDA had acted arbitrarily and capriciously in refusing to award rural development funding to the co-op in support of its efforts to open a store approximately one mile from the Philadelphia border.
