

Tax Exempt & Nonprofit Entities

Tax exempt and nonprofit organizations face a unique set of challenges as they strive to provide excellent services and care while having to control costs.

We help our clients by delivering an efficient, interdisciplinary approach to their exemption, legal, regulatory, and business issues. Our lawyers have a long, institutional track record of working with tax-exempt and other nonprofit entities, negotiating business transactions, and resolving disputes before administrative agencies and in court. Our focus includes implementing best practices for nonprofits, counseling on tax and fiduciary issues, and creating endowment funds that expand fundraising opportunities. We have extensive experience representing tax-exempt organizations in all phases of operations and assisting individuals and businesses in making charitable contributions to such organizations.

Representative Matters

Medical center—Property tax exempt status retained

Defended a tax appeal filed by a New Jersey municipality against our medical center client. The city filed appeals against our client and surrounding properties challenging its exempt status for the 2014, 2015, 2016, and 2017 tax years. The total potential tax liability if the city was successful was, at a minimum, \$20 million (\$5 million per year). Worked out a settlement of the litigation based on a community service contribution agreement resulting in the properties retaining their property tax exempt status, and payments by our client to the city of \$459,900 per year for seven years and an additional \$335,500 per year for seven years for public health support in the city and to support its community center and programs for youth and senior populations. The total amount to be paid over seven years is the equivalent to what the city wanted as a payment for one year.

Not for profit testing and assessment organization—Vendor consolidation

Advised a large not for profit testing and assessment organization in a significant consolidation of trustee, custodian, investment platform provider, and recordkeeping services with a single vendor with respect to its 403(b) plan and money purchase pension plan, a portion of whose assets were held in a group annuity contract, achieving cost savings for the participant of the plans. We negotiated new trustee, recordkeeping, custodian and related administrative service agreements with both the old and the new vendor, prepared plan amendments, board approval documentation, and reviewed participant communications.