

TAX-EXEMPT ORGANIZATIONS AND PRIVATE FOUNDATIONS

Practice

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We advise clients in determining the best vehicle for their objectives, whether it is a charitable trust, a tax-exempt corporation, or a donor-advised fund with a local community foundation. We assist clients in forming charitable organizations and obtaining recognition of tax-exempt status by the IRS and the State of Texas, and we provide continuing guidance to the officers, directors, and trustees regarding the operation and management of the organization.

Our attorneys counsel a wide variety of tax exempt organizations, including the following:

- Public charities
- Private family foundations
- Supporting organizations
- Employer-sponsored scholarship and emergency/disaster relief funds
- Performing arts and cultural groups
- Academic institutions
- Churches
- Religious organizations
- Business leagues
- Chambers of commerce
- Hospitals
- Title-holding corporations
- International organizations

Because our firm has a strong commitment to the communities in which they practice, we support a number of charitable organizations on a pro bono basis.

Issues that often arise include analysis of contributions and proof of public charity status, unrelated business taxable income (or UBTI) issues, internal policies regarding grant-making and distributions, internal governance, conflicts of interests, employment practices, investment limitations, tax penalties, self dealing and prohibited transactions. We have advised clients regarding the reorganization of business structures (for example, conversion of a nonprofit corporation to a charitable trust), the establishment of subsidiaries and independent affiliated entities, and the merger of two or more entities. Our attorneys have also played prominent roles in financial restructurings of tax-exempt organizations, most recently in the Chapter 11 case of the National Benevolent Association of the Christian Church.

Representative Matters

- Advice regarding issuance of tax exempt bonds and financing
- Advice regarding international charitable activities and operation
- Reorganization of business structure, including the conversion of a nonprofit corporation to a charitable trust
- Establishment of subsidiaries and independent affiliated entities
- Merger of two or more charitable entities
- Representation of the creditors committee of a nonprofit in bankruptcy
- Advice regarding fundraising and development vehicles, including charitable gift annuities and charitable remainder trusts
- Representation regarding intellectual property issues