

Exempt Organizations

"Exempt organizations" — churches, schools, museums, theatres, foundations, service groups, fraternities, sororities, hospitals — all part of the "third sector" of society bridging the space between private enterprise and government regulation. The EO group at Baker & Daniels is dedicated to strengthening, supporting and renewing that vital bridge.

For Baker & Daniels, representation of exempt organization clients is a relationship, not a transaction. Our professionals have a long history of helping individuals, institutions, families, governments and businesses accomplish their charitable, educational, social, religious and other nonprofit objectives. From serving since 1937 as sole legal counsel for one of the world's largest private philanthropic foundations, to opening and providing for the ongoing legal needs of a new national art museum, to advising dozens of colleges and universities from coast to coast (and internationally), to organizing and representing hundreds of small, medium and large exempt organizations of all sorts during the past 75 years, Baker & Daniels has been a leader in legal service to the sector in Indiana and beyond.

Sound legal advice and business planning can translate into success over the long term for exempt organizations. With issues becoming more complex, you need more than just a technician to draft documents and file forms for exempt status. We counsel clients in developing strategic plans that help them manage administrative costs, setting the stage for effective board governance and preparing to face all of the challenges that will arise over time in providing for the public good. Baker & Daniels lawyers focus on preventing problems before they arise.

Throughout the process, we advise and assist exempt organizations with counsel on tax, general business, trusts and estate planning, employment (including work rules, employment discrimination and employee benefits), intellectual property, operations, litigation, risk management and all other areas of the law that impact their missions. We also provide charitable giving advice and similar assistance to individual and corporate clients.

Baker & Daniels lawyers constantly provide guidance to our clients in development techniques and methods to increase revenues and protect assets. With the economic environment and growing international needs stretching donation dollars, we counsel clients on alternative ways to support their charitable, educational and other exempt activities, including real estate, partnership and limited liability investments. We have helped numerous clients of all sizes — through creative collaborations and mergers — to strengthen their separate philanthropic efforts.

The core members of Baker & Daniels' EO group understand clients' needs. They are not estate planners, business lawyers or corporate tax counsel who provide services to exempt organizations only on a part-time basis. They have dedicated their entire practices to serving the legal needs of exempt entities, combining for more than 50 years of legal experience and knowledge.

Our partners were actively involved in drafting the Indiana Nonprofit Corporation Act of 1991, Indiana's current governing statute for most nonprofit corporations. We regularly participate in federal and state

legislative and regulatory proceedings on exempt matters, and we frequently speak and write on topics of interest to exempt organizations. Exempt organizations practice is more than just a job for our lawyers. Service to the sector is also our avocation — our practice group members are actively involved as board directors, committee leaders and volunteers with a large number of local and national foundations and organizations.

In addition to our core members, Baker & Daniels' EO group includes lawyers throughout the firm who focus on other practice areas but have significant experience in assisting exempt organizations within those areas. These support professionals understand the needs of exempt organizations and offer counsel in litigation, real estate, estate planning, labor and employment, employee benefits, tax-exempt financing, creditors rights, individual and corporate tax, intellectual property, immigration and other practice concentrations.

SERVICES

From the community group starting a neighborhood center to the international corporation establishing a worldwide foundation, Baker & Daniels lawyers provide legal counsel and services for a wide range of exempt activities. Our services include:

- Developing strategies to achieve exempt corporate, trust and association goals
- Preparing articles of incorporation, bylaws and other organizational documents, paying special attention to tax objectives
- Providing general counsel for exempt organizations with respect to governance, operations and other business matters
- Preparing applications and reports for federal, state and local income, property, sales and franchise tax exemptions
- Providing ongoing guidance on unrelated business income tax (UBIT) questions, private foundation matters, nonprofit board roles and responsibilities, and related issues
- Drafting and negotiating a wide range of contracts between exempt organizations and their vendors
- Advising exempt organizations on the legal and tax consequences of proposed activities and relationships with other exempt and taxable organizations, including taxable subsidiaries and joint ventures
- Providing representation and services on annual, capital and deferred giving development programs, including the preparation of agreements and administrative documents for charitable remainder and lead trusts, gift annuities and pooled income funds
- Litigating issues on charitable investments, gift construction, charitable trust administration and reformation, and similar matters
- Serving as counsel for issuers, borrowers, underwriters and others in tax-exempt financings
- Advising on state laws regulating the conduct of charitable gaming
- Submitting IRS and Indiana Department of Revenue ruling requests on contemplated transactions, including proposed grants, scholarship programs and real estate transfers
- Guiding individuals and entities on charitable giving matters
- Counseling on mergers and other consolidations among multiple exempt organizations
- Providing counsel regarding limitations on lobbying activities
- Conducting client and industry seminars on a wide variety of legal issues affecting exempt organizations

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