



## Tax-Exempt Organizations

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### Related Practices

Trusts, Estates and Wealth Transfer

Our lawyers have decades of experience providing valuable insight and advice to all varieties of nonprofit and tax-exempt organizations. These organizations face unique challenges in creation, compliance, governance, fundraising and compensation, among other issues. The laws governing such organizations are complex, and their regulatory environment, transactions and daily activities increasingly raise new and complicated tax questions. We understand clients' budget and time constraints, and our breadth of experience enables us to be efficient in providing practical and creative solutions for clients' common and unique issues that may arise.

Our clients include public charities, supporting organizations, community and religious organizations, trade associations, business leagues, charter schools, colleges and universities, hospitals and health care institutions, private foundations, museums, research institutions, social clubs and other types of nonprofit organizations.

## Key Service Areas

We advise our tax-exempt organizations clients on a spectrum areas and issues, including these key service areas:

### Creation

We represent a variety of nonprofit and tax-exempt organizations in their creation under state law and in obtaining determinations of tax-exempt status from the Internal Revenue Service. Creating the proper governance structure is vital to an organization's success and tax-exempt status, and our attorneys have the experience and knowledge to ensure every client is properly established.

### Mergers, Acquisitions, Joint Ventures and Other Transactions

Nonprofit and tax-exempt organizations are increasingly engaging in new and innovative income-producing ventures. These activities, especially when mixed with taxable entities, result in a number of complex tax and non-tax issues. Our attorneys have counseled organizations on a myriad of such transactions and understand the

unique and complex issues they face. We have also guided numerous such organizations in structuring various mergers, acquisitions, joint ventures, reorganizations and other transactions.

### Charitable Giving

Vorys has advised a number of clients on compliance with UPMIFA and the creation and operation of endowments, donor-advised funds, charitable remainder trusts, charitable lead trusts, charitable gift annuities, grant and gift agreements, and other planned-giving vehicles. Our experience allows us to provide this counsel in a cost-effective and efficient manner. We have also advised individuals when structuring large charitable contributions to tax-exempt organizations, including contributions involving naming rights, business interests, real estate and artwork.

### Governance

We have considerable experience in advising organizations on a broad range of governance matters. Our advice routinely includes advising boards of directors, board committees and officers with respect to their fiduciary duties under state law and managing conflicts of interest; preparing and updating governance documents (such as articles of incorporation, bylaws, codes of regulations, conflict of interest policies, gift acceptance policies, whistleblower policies and codes of conduct and ethics) to address the constantly evolving regulatory environment and reflect best practices; and creating subsidiary for-profit corporations or limited liability companies to engage in certain activities or transactions.

### Compliance

Vorys represents organizations in complying with federal, state and local laws in their ongoing operations. Such compliance includes avoiding private inurement and private benefit transactions, properly acknowledging gifts and donor benefits, consulting on the preparation of tax and informational returns, addressing state charitable registration and solicitation laws, and acting in accordance with lobbying and political activity restrictions.

### Employment Issues

Vorys has experienced attorneys who regularly help tax-exempt organizations with all of their employment-related legal needs and disputes.

### Cause Marketing and Qualified Sponsorships

Cause marketing and qualified sponsorships have become ubiquitous in today's marketplace. We assist both for-profit and charitable clients in navigating and complying with the rules for charitable sales promotions, commercial co-ventures and qualified sponsorships.

### Unrelated Business Income Tax

We routinely counsel our tax-exempt clients regarding various issues relating to the unrelated business income tax (UBIT) and planning to avoid or minimize UBIT.

### Excise Taxes

Our attorneys are well-versed in the various excise taxes applicable to certain organizations, including self-dealing, excess business holdings, jeopardy investments, taxable expenditures and intermediate sanctions rules and safe harbors.

### Online Business

Many of our clients are using the internet to help promote their causes and advance their missions. As helpful as the internet can be, the technology also can come with pitfalls. We assist our clients to make sure they are properly harnessing the power of the internet when launching online stores, accepting online payments and hosting online auctions. Our attorneys have extensive experience assisting clients with the various legal issues that these online tactics can create.

### Litigation

Although we typically encourage our clients to avoid litigation, sometimes our clients find it necessary to make their case in court. Our expansive litigation practice has a wealth of experience fighting on behalf of a variety of nonprofit and tax-exempt organizations. In addition, we regularly help our clients navigate the path of an IRS audit, and, when audits cannot be resolved through administrative processes, we have proudly and successfully represented our clients in federal court.

### Real Property and Sales and Use Tax Exemptions

Vorys has a team of attorneys who focus their practice on real property tax and sales and use tax exemptions and related applications and disputes.

### Raffles and Sweepstakes

We advise clients regarding compliance with all raffle, sweepstakes and gaming laws. Many organizations host raffles, festivals and sweepstakes but are not aware of the extensive rules in this area of law. Our attorneys help guide clients through the myriad of rules and regulations associated with such activities.

### Who We Represent

Our firm has significant experience advising all varieties of nonprofit and tax-exempt organizations. Including:

## Public Charities

Vorys has a deep history of representing public charities. Public charities represent the vast majority of the tax-exempt organizations, and we have a wealth of experience in representing virtually every type of public charity. We have helped charities in nearly every aspect of their lifecycles, including organizing, qualifying under one of the public support tests, structuring governing boards, entering into joint ventures, executing mergers and acquisitions and navigating the increasingly complex compliance issues.

## Private Foundations

We are fortunate to have long-standing private foundation clients. For many such clients, we assisted in the formation of the foundation decades ago and have represented them ever since. Our private foundation clients face unique challenges that carry unique tax consequences. Our attorneys have a wealth of experience assisting these clients in almost every possible situation.

## Health Care

Our thriving health care practice provides us with ample opportunities to advise and consult some of Ohio's largest health care organizations. In the past several decades, hospitals have endured major changes in how they conduct their businesses. Most of these changes, which range from how they deliver on-site services to the increased use of non-hospital based services, bring with them new federal tax implications on which our attorneys can provide counsel. Our attorneys have also assisted with the formation and organization of health care organizations, exemption applications and substantive qualification requirements, mergers and reorganizations, endowment and fundraising issues, UBIT issues, private inurement and private benefit issues and IRS rulings requests.

## Charter Schools

Within Ohio, the number of charter schools continues to increase each year. Vorys has assisted with the creation and advancement of some of the largest and most highly regarded charter schools in the state. Our team of attorneys fully understands the tax complexities that are ensconced in the creation and day-to-day activities of a charter school. In addition, our experienced labor attorneys enable us to counsel charter school clients on the multitude of labor issues they encounter.

## Colleges and Universities

Vorys has the privilege of representing some of the country's largest and oldest colleges and universities. For more than 40 years, we have counseled dozens of such institutions, including The Ohio State University. Our tax attorneys regularly advise our college and university clients on ways to navigate the complexities that surround their individual situations, including economic development incentives, endowments and compliance. That said, our legal advice to colleges and universities extends well beyond tax advice. In fact, we routinely counsel colleges and universities on litigation, corporate governance, real estate, intellectual property, labor and employment and other issues.

## Trade Associations

Trade associations benefit from a number of tax advantages if they are established properly and operated correctly. We represent a number of trade associations and understand the complexities associated with launching and running them. Our attorneys provide a full-range of services geared specifically to trade associations in Ohio and across the country.

## News

[News, 8.18.2022](#)

115 Vorys Attorneys Named to the 29th Edition of The Best Lawyers in America® List; 33 Vorys Attorneys Named to Best Lawyers: Ones to Watch in America List

[News, 11.2.2016](#)

Galyardt Joins Vorys as Of Counsel

## Publications

[Client alert, 4.28.2021](#)

Real Property Tax Exemption for Permanent Supportive Housing is Legislatively Affirmed

[Client alert, 8.13.2020](#)

Proposed Regulations on the 4960 Excise Tax on Certain Compensation Paid by Tax-Exempt Employers

[Client alert, 4.17.2020](#)

*Foundations:* COVID 19: Various Relief Measures Enacted to Benefit Tax-Exempt Organizations

[Client alert, 4.8.2020](#)

Private Non-Profit Eligibility for FEMA Public Assistance Funding

[Client alert, 3.30.2020](#)

Ohio Governor Mike DeWine Signs COVID-19 Related Legislation

[Client alert, 3.23.2020](#)

Overview of Ohio Department of Health "Director's Stay at Home Order"

[Client alert, 3.22.2020](#)

Ohio Department of Health Director Issues "Stay at Home Order"

[Client alert, 1.21.2020](#)

*Federal Tax Bulletin:* Retroactive Repeal of the 'Parking Tax' for Tax-Exempt Employers

[Client alert, 1.2.2019](#)

*Client Alert:* New IRS Guidance Addresses the Tax Cost of Providing Parking to Employees, Even for Tax-Exempt Employers

[Authored article, 9.15.2017](#)

403(b) Plan Remedial Amendment Period Announced

[Client alert, 5.16.2017](#)

Cause Marketing May Cause Charitable Compliance Requirements