

Steptoe & Johnson LLP

China Central Place, 29th Floor,
Tower 2

79 Jianguo Road, Chaoyang
District
Beijing, 100025

Tel: +86 10 5834 1000
Fax: +86 10 5969 6099

Avenue Louise 489

3rd Floor
B-1050 Brussels
Belgium

Tel: +32 2 626 0500
Fax: +32 2 626 0510

115 South LaSalle Street

Suite 3100
Chicago, IL 60603
Tel: 312.577.1300
Fax: 312.577.1370

2121 Avenue of the Stars

Suite 2800
Los Angeles, CA 90067
Tel: 310.734.3200
Fax: 310.734.3300

633 West Fifth Street

Suite 700
Los Angeles, CA 90071
Tel: 213.439.9400
Fax: 213.439.9599

1114 Avenue of the Americas

New York, NY 10036
Tel: 212.506.3900
Fax: 212.506.3950

201 E. Washington Street

Suite 1600
Phoenix, AZ 85004
Tel: 602.257.5200
Fax: 602.257.5299

1330 Connecticut Avenue, NW

Washington, DC 20036
Tel: 202.429.3000
Fax: 202.429.3902

Steptoe & Johnson

99 Gresham Street
London, EC2V 7NG
England

Tel: +44 20 7367 8000
Fax: +44 20 7367 8001

Exempt Organizations

Our lawyers are at the forefront of legal, legislative, and business developments affecting tax-exempt organizations and are frequent speakers and authors on topics that impact our clients. We stay abreast of industry developments, listen closely to our clients, and provide legal services adapted to the nonprofit sector. Our goal is to help each tax-exempt client achieve its specific objectives. Steptoe's clients benefit from our expertise and our multi-disciplinary approach through both time saved, and questions answered "right the first time." We guide our clients through the complex web of laws and regulations from an organization's inception and development, through to its growth and maturity.

Supported by a multi-disciplinary team of more than 25 lawyers, our practice includes exempt organizations of all sizes and types. For many clients, we provide ongoing counseling on a broad spectrum of matters in a general counsel role. We represent other clients on novel and complex issues which may involve counseling, planning or representation before government agencies, the courts, and Congress.

The Exempt Organizations Practice is led by Suzanne Ross McDowell and Catherine W. Wilkinson, two experienced professionals with a wealth of knowledge about exempt organizations. Ms. McDowell—with extensive experience as a private practitioner, as a senior legal and business executive at National Geographic Society, and senior government official in the Office of Tax Policy, US Treasury Department—brings to her work a unique blend of pragmatism, sharp analytical skills, and an in-depth understanding of tax policy. With more than 30 years of private practice at Steptoe, Ms. Wilkinson, a certified public accountant with an MBA in accounting and taxation, offers clients pragmatic advice and creative solutions to assist them in achieving their business objectives.

Array of Legal Services

Our lawyers provide ongoing counseling on a wide range of issues concerning the tax-exempt status of our clients, including qualifying for public charity status, intermediate sanctions, unrelated business income, reporting obligations, eligibility to conduct legislative or political campaign activities, using for-profit subsidiaries, participating in partnerships and joint ventures, as well as developing and operating fundraising and charitable giving programs.

We are attuned to emerging best practices in corporate governance and assist clients in developing governance structures, policies and practices that both meet the IRS's expectations and serve the organization's interests.

Our attorneys also provide advice and counsel concerning many other areas of the law as they relate to tax-exempt organizations, including contracts, leases,

Exempt Organizations

employment and labor law, intellectual property matters, antitrust issues, and matters pertaining to employee benefits and executive compensation planning.

Comprised of a multi-disciplinary team of more than 25 seasoned attorneys, our Exempt Organizations Practice provides the full range of services for non-profit organizations. These services include:

- Appellate litigation
- Antitrust
- Corporate Advice and transactions
- E-commerce and media
- ERISA, employee benefits, and executive compensation
- Employment law
- Government investigations and audits
- Government relations and public policy
- Government contracts and grants
- Intellectual property protection and transactions
- International regulation and compliance
- Privacy and data security
- Tax

Our Clients

We represent a diverse group of organizations including:

- Advocacy, lobbying, and political organizations
- Charitable entities and social welfare organizations
- Colleges, universities, and other educational institutions
- Federal and state agencies and instrumentalities
- Healthcare and medical research organizations
- Private foundations

Exempt Organizations

- Professional and trade associations
- Religious groups
- Scientific societies and research organizations
- Veterans and other membership groups

The Exempt Environment

Transactional Issues. Exempt organizations face the same complex legal issues as for-profit businesses in a broad array of transactional matters, such as:

- Commercial transactions and investments
- Corporate reorganizations, mergers and acquisitions
- Development and acquisition of information technology assets and services
- Intellectual property, protection, and transactions
- International business activities, grants, and contracts
- Joint ventures, for-profit subsidiaries and other affiliated entities
- Real estate transactions
- Structuring transactions to minimize UBIT
- Tax-exempt bond financing

Regulatory Issues. Our exempt clients also face many of the same regulatory issues as for-profit businesses, including:

- Antitrust
- Employment law
- ERISA, executive compensation, and employee benefits
- Export controls, technology acquisition and transfer
- Government grants and contracts
- Legislative and political campaign activities
- Privacy and data security

Exempt Organizations

- Tax

Issues for Charities, Foundations, and Social Welfare Organizations

We serve our exempt organizations' business, legal, and tax needs across the spectrum. Special issues for charitable organizations include:

- Affinity cards
- Charitable trusts, gift annuities, and pooled income funds
- Conservation easements and in-kind giving
- Corporate governance best practices
- Corporate sponsorships
- Donor-advised funds and supporting organizations
- Executive compensation
- Fundraising programs and recordkeeping
- Internet transactions, e-mail, and web-based solicitations
- IRS audits, Congressional or internal investigations
- Postal rates for non-profits
- Private inurement and private benefit
- Tax-exempt status

Issues for Trade and Professional Associations

There are more than 86,054 trade and professional associations which play an important role in our society through publishing educational materials, offering classes or conferences, and organizing networking and charitable events. We assist our association clients in managing the business aspects of their missions, and are often called upon to:

- Account for and report unrelated business income (UBIT)
- Advise on compliance with antitrust laws
- Advise on peer review and publication of professional journals
- Draft amicus briefs for litigation in the US Supreme Court and other courts

Exempt Organizations

- Draft member benefits plans
- Lobby Congress and the IRS
- Provide legal support in organizing trade shows
- Structure affinity programs
- Unrelated business income (UBIT) reporting

Issues for Educational and Research Organizations

Medical and research institutions often seek to commercialize their inventions and research breakthroughs while preserving publication rights. If successful, the result is an opportunity to pursue downstream research, receive a royalty-stream, or an equity stake in additional research. To achieve these goals with our clients, we advise, draft, and negotiate agreements, including:

- Collaboration agreements with commercial entities and government agencies
- Grant agreements
- Material transfer arrangements
- Patent, copyright, and trade secret licenses and transfers
- Sponsored research agreements

Exempt Organizations Newsletter

As a service to the exempt community, we publish the e-newsletter *Exempt Organizations Advisory* as developments in this area of law warrant. Many of our nonprofit clients also subscribe to Steptoe's *Daily Tax Update*, a daily electronic advisory, and other firm advisories.