K&L Gates LLP has a well-established and extensive practice serving tax-exempt organizations. Our experience, coupled with our passion for and commitment to the nonprofit community, allows us to bring unique value to our representation of tax-exempt organizations. Our lawyers advise private foundations, community foundations, public charities, supporting organizations, donor-advised funds, private operating foundations, health care providers, universities, private schools, religious organizations, trade associations and other tax-exempt organizations on issues arising in all phases of a tax-exempt organization's life cycle.

**Areas of Practice**

**Creating a New Organization**
K&L Gates counsel often starts at the beginning of a tax-exempt organization's existence. We advise clients on the formation of new organizations, including selecting the appropriate type of exempt organization based on federal and state tax and other laws. We prepare organizational documents (including drafting articles and bylaws for incorporation or trust documents for charitable trusts); obtain necessary licenses and other state registrations; and secure tax-exemption for the organization. We also assist exempt organizations in complying with state and local tax obligations where exemption is unavailable.

**Day-to-day Operations Counseling**
For both newly created and long-established entities, our attorneys advise on a variety of day-to-day operations issues. We counsel organizations on maintaining their tax-exempt status, fundraising, applicable public support tests, permissible lobbying activities, avoiding excess benefit transactions, political activities, investment of endowment funds, nonprofit corporate governance, contracting and other matters unique to exempt organizations. By drawing on the knowledge of our colleagues, we advise tax-exempt clients regarding a full range of legal issues, including employment matters, employee benefits (ERISA), environmental and land use issues, insider trading, health law matters, real estate, litigation, and technology and intellectual property issues (Web site and Internet issues, trademarks, copyrights, technology licensing and electronic commerce).

**Transactions and Special Circumstances**
Our experience with tax-exempt organizations extends beyond day-to-day operational issues. We advise on mergers and acquisitions, partnerships and other joint ventures with for-profit entities, formation of for-profit or limited liability company subsidiaries, conversion to for-profit status, formation of U.S. entities to support foreign charitable activities and creation of organizational and transactional structures to achieve complex fundraising and operational objectives both in the United States and internationally. In addition, we advise tax-exempt organizations regarding amendments to governance documents, IRS and state audits, reinstatement of tax-exempt status, conservation easements, community and economic development projects, social enterprise ventures, public/private partnerships and private letter ruling requests to the IRS. Our experience also includes representation of tax-exempt organizations in connection with their investment programs, unrelated business tax income (UBTI), tax on excess business holdings (IRC 4943) and general tax issues.
Private Foundations
Often working in collaboration with colleagues focused on estate planning, we advise donors on the design and implementation of charitable giving strategies to meet their charitable, financial, tax and family objectives. We also advise corporate clients on ways to achieve their philanthropic goals. We have created numerous family and corporate private foundations and we counsel these foundations regarding compliance with the private foundation excise tax rules on self-dealing, qualifying distributions, taxable distributions, excess business holdings and jeopardizing investments. In addition, we advise on all aspects of grantmaking, including grants to individuals and supporting organizations, employer-related scholarship programs, disaster relief and emergency hardship grants and issues specific to international grantmaking, such as compliance with the USA Patriot Act, preventing diversion of charitable assets to terrorism, expenditure responsibility and foreign public charity equivalence procedures.

Nonprofit Governance
K&L Gates advises clients on all aspects of nonprofit governance and helps to develop best practices, including whistleblower and document retention policies; conflict of interest policies; committee charters; and compensation practices for directors, officers and employees, as well as advising on the exercise of fiduciary duties. We perform governance audits and assist clients, both in establishing appropriate governance policies and practices and addressing the consequences of previous problematic policies or practices.

Investment Activity
We counsel pension funds, universities, foundations, other tax-exempt organizations and their investment advisers regarding a wide range of legal issues relevant to structuring and managing the investment of endowment and other funds, including providing advice regarding compliance with the complex tax rules applicable to tax-exempt organizations and negotiating and drafting investment agreements.

Federal Public Policy
We work in conformance with the laws governing tax-exempt organizations lobbying to affect public policy in Congress and the administration. Our appropriations team interacts on behalf of K&L Gates clients with the highest level of decision-makers in both the House and Senate. In addition, the firm works with a wide variety of administrative agencies to educate political appointees and career officials on policy issues relevant to our tax-exempt organization clients. We also gather intelligence, monitor and analyze forthcoming policy events and trends.

Representative Clients
Our private foundation clients include:
- Alcoa Foundation
- Bill & Melinda Gates Foundation
- Casey Family Programs
- Marguerite Casey Foundation
- Mylan Charitable Foundation
- The REI Foundation
- Washington Research Foundation

Other representative tax-exempt organization clients include:
- Allegheny Conference on Community Development
- Allen Institute for Brain Science
- American Pyrotechnics Association
- Bellevue Community College Foundation
- Cascade Land Conservancy
- Commonwealth Conservancy
- Communities Foundation of Texas
- Dave Thomas Foundation for Adoption
- Digital Learning Commons
- Friends of the Nelson Mandela Foundation
- The GAVI Fund
- Infectious Disease Research Institute
- The Minerals Metals and Materials Society
- Northwest Center
- Pacific Medical Centers
- Pittsburgh History & Landmarks Foundation
- Seattle Theatre Group
- Skookum Educational Programs
- The Social Innovation Accelerator
- TheFilmSchool
- Therapeutic Health Services
- United Way of Allegheny County
- West Penn Allegheny Health System

Case Studies
Reaching Across Borders
When a U.S. public charity became interested in the International Finance Facility for Immunization (IFFIm), K&L Gates helped the nonprofit organization sort out the U.S. legal and tax aspects of participation in the international charitable venture. IFFIm, an initiative of the Global Alliance for Vaccines and Immunization (GAVI), is a pioneering funding mechanism intended to increase significantly the flow of aid to countries for immunization programs, ensuring reliable and predictable funding through 2015. Our client now contributes to an anticipated IFFIm investment of US$4 billion, expected to prevent five million child deaths between 2005-2015 and more than five million future adult deaths.

Preserving Land through Innovation
To achieve long-term preservation of critical landscapes in the Puget Sound region, K&L Gates attorneys helped the nonprofit Cascade Land Conservancy craft the Conservation Investment Fund. The fund, structured as a joint venture between the Conservancy and a group of private accredited investors, treats conservation not just as philanthropy but also as an investment. Its goal: to protect and steward the region’s most precious resource—the land.

Bringing Hollywood to Pittsburgh
Steeltown Entertainment Project, a charity devoted to economic development in Pittsburgh, wanted to attract a Hollywood movie project and associated commerce to the region. K&L Gates assisted Steeltown in complying with charitable solicitation laws while it solicited nearly $1 million in donations for the film project. K&L Gates then was able to assist Steeltown in negotiating and drafting appropriate contracts with the movie producers and distributors. The result? A charitable organization able to fulfill its mission and provide an economic boost to the Steel City.
K&L Gates comprises approximately 1,700 lawyers in 28 offices located in North America, Europe and Asia, and represents capital markets participants, entrepreneurs, growth and middle market companies, leading FORTUNE 100 and FTSE 100 global corporations and public sector entities. For more information, visit www.klgates.com.

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