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# INTRODUCTION

Nonprofits are increasingly the subject of federal scrutiny and regulation. To some extent, charitable organizations are sleeping giants which have emerged onto the public agenda.

There are many reasons for this increased attention. The non-profit sector is a major area of the economy representing a significant percentage of the gross national product. Nonprofits also appear to or actually do compete with profit making businesses in areas such as bookstores, gift shops, travel tours, and fitness centers. This competition causes for-profit businesses to complain to the Internal Revenue Service and other government regulators. In addition, deductions to charitable organizations result in significant loss of government revenue.

Further, there have been several high profile incidents involving nonprofits and their misuse of charitable funds. These disclosures call into question how nonprofits operate, how they use their funds, and how insiders take advantage of their positions of influence.

*Nonprofits and Complying with Federal Law* analyzes and assesses the legal environment of nonprofit and charitable corporations. Regulation of these institutions is becoming increasingly complex due to a rise in the number of basic compliance obligations. In certain situations, failure to comply with the legal obligations imposed can result in a devastating loss to the organization; including fines and loss of its tax exempt status.

*Nonprofits and Complying with Federal Law* provides a basic analysis of the federal policies affecting the work of managers, staff, board members, counsel, and volunteers. The manual focuses on the following compliance areas:

- Public Disclosure & Substantiation
- Investment Disclosure & Bankruptcy
- Antitrust and Annuities
- Private Benefit
- Unrelated Business Income
- Postal Regulations
- Lobbying
- Employment
- Copyright
- Child Protection
- Volunteer Liability

*Nonprofits and Complying with Federal Law* thoroughly explains federal law in a manner uncluttered by minute intricacies. Topics are

presented in a common format; showing the purpose of each act; what organizations are affected; the effective date of the act; highlights of the compliance requirements; matters an organization should review to ascertain compliance; how an act is enforced; and compliance agencies.

Detailed appendices include the text of the Volunteer Protection Act of 1997, sample IRS forms, including the required application for recognition of exemption, the State Solicitation Unified Registration Statement, the Donor Bill of Rights, and a list of relevant website resources, cases, and statutes.

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IF LEGAL ADVICE OR OTHER EXPERT ASSISTANCE  
IS REQUIRED, THE SERVICES OF A COMPETENT  
PROFESSIONAL SHOULD BE SOUGHT.

# THE AUTHOR

Kent M. Weeks, a practicing attorney with the law firm of Weeks, Anderson & Baker of Nashville, Tennessee has a distinguished professional career as a teacher, administrator, lawyer, and author. A Fulbright Scholar, Weeks earned degrees from The College of Wooster, University of New Zealand, Duke University, and a Ph.D. from Case Western Reserve University. He edited two volumes for the Center for Constitutional Studies that have had singular impact on the independent sector: *A Legal Inventory for Independent Colleges and Universities* and *A Legal Deskbook for Administrators of Independent Colleges and Universities (2nd Edition)*.

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Weeks has consulted with nonprofits throughout the United States and serves as legal counsel to several colleges and national and international educational associations. He has participated in and directed more than 100 seminars and workshops for nonprofit administrators, staff, counsel, faculty and trustees and has addressed many higher education organizations, associations, and legal groups.

# ACKNOWLEDGMENTS

This manual is a product of many years of thought and reflection on issues and laws facing nonprofit institutions. It reflects numerous contacts with nonprofit administrators, staff, board members, counsel, and volunteers who in a variety of ways must comply with federal law.

Acknowledgment must be given to my many clients and professional contacts who throughout the years have caused me to think about the issues and how to identify preventive ways to assure compliance and reduce legal exposure.

I am deeply grateful to my legal assistant, Sandy Crain, and my law clerk, Jim Chapman, both of whom worked diligently and thoughtfully on the preparation and production of this manual.

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Summer 2000