

## Nonprofit Organizations

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### Legal Strategy That Protects Your Mission

Nonprofit organizations operate in a fast-changing regulatory landscape where compliance, governance, and financial stewardship are essential for maintaining tax-exempt status and public trust. Miller Canfield's Nonprofit Organizations Industry Group provides comprehensive legal services designed to help mission-driven organizations form, grow, operate, restructure, and thrive.

Our team advises public charities, private foundations, educational institutions, healthcare and human service organizations, religious organizations, cultural institutions, governmental units and other tax-exempt entities across the country.

### Why Nonprofits Choose Miller Canfield

- Sector-specific experience across tax, public finance, governance, employment, real estate, and litigation
- A multidisciplinary team dedicated to the unique needs of tax-exempt entities
- Strategic, practical legal solutions that protect mission, minimize risk, and support sustainability
- Experience serving nonprofits of all sizes, from emerging organizations to large regional and national institutions

We are committed to helping nonprofits operate confidently, compliantly, and in alignment with their mission.

### Tax Exempt Status & IRS Compliance

We help organizations **obtain, maintain, and defend** tax-exempt status through:

- 501(c)(3), 501(c)(4), 501(c)(6), and other exemption applications
- IRS Form 1023 and Form 1024 preparation
- 1/3 Public Support Test analysis
- UBIT (unrelated business income tax) counseling
- IRS audits, inquiries, and exemption challenges

Our goal is to protect your tax-exempt standing while ensuring your operations align with IRS rules and nonprofit best practices.

### Sales and Use Tax Compliance

Federal tax-exempt status does not automatically exempt a nonprofit organization from state sales and use tax obligations. Depending on the jurisdiction and the nature of the activity, nonprofits may be required to pay sales tax on purchases, collect and remit sales tax on certain sales, and comply with registration, filing, and exemption requirements.

We advise nonprofit organizations on:

- State sales and use tax exemption rules and limitations

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- Registration requirements before selling tangible personal property
- Tax treatment of purchases, program-related sales, and fundraising activities
- Multistate sales and use tax compliance issues
- Compliance strategies to reduce risk and avoid unexpected liabilities

We help nonprofits understand when exemptions apply, when they do not, and how to navigate sales and use tax rules in a practical, mission-sensitive way.

## Corporate Governance and Regulatory Compliance

Strong governance is essential for nonprofit credibility and risk management. We advise boards and leadership teams on:

- Board governance training and fiduciary duties
- Conflicts of interest, whistleblower, and ethics policies
- IRS Form 990, state charity registrations, and annual reporting
- Federal, state, and local compliance obligations
- Document retention and risk-management practices

We help nonprofits build governance structures that withstand scrutiny and support long-term stability.

## Formation, Structuring, and Organizational Strategy

From start-ups to large, multi-entity organizations, we guide nonprofits through:

- Choice of Entity for subsidiaries and collaborations (LLC, joint venture, standard 501(c)(3), supporting organization 501(c)(3), or other exempt organizations)
- Entity formation and drafting governing documents
- Bylaws, policies, and corporate structuring
- Reorganization or restructuring for efficiency and compliance

Our lawyers ensure your structure supports your mission and meets regulatory requirements.

## Mergers, Acquisitions, Affiliations, and Dissolutions

Nonprofit transitions require sensitivity, strategy, and compliance with state and federal oversight agencies. We assist with:

- Nonprofit mergers, acquisitions, affiliations, and partnerships

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- Asset transfers and combination strategies
- Wind-downs, dissolutions, and cy pres issues

We help organizations navigate complex transitions while protecting mission integrity and donor intent.

## Charitable Solicitation, Fundraising, and Contributions

We help nonprofits manage the increasingly complex rules surrounding fundraising and charitable giving:

- Drafting templates for IRS-required written acknowledgments of charitable contributions for donors
- Fundraising agreements and sponsorship arrangements
- Donor-restricted gifts and gift acceptance policies
- Charitable trust issues
- Raffles and contests

We ensure your fundraising strategies are compliant, effective, and aligned with your organization's values.

## Tax Exempt Bonds and Public Debt Offerings

Miller Canfield's nationally recognized Public Finance team supports nonprofits undertaking major capital projects through:

- Tax-exempt and taxable bond financing
- Borrower's counsel, bond counsel, and underwriter's counsel roles
- Structuring public debt offerings and private placements
- IRS compliance and post-issuance requirements

We help nonprofit organizations secure cost-effective financing to support facilities, programs, and long-term growth.

## Property Tax Exemptions

Federal tax-exempt status does not automatically exempt a nonprofit organization from state property tax obligations.

We help nonprofit organizations secure, preserve, and defend property tax exemptions under Michigan law through:

- Guidance on fee-based programs
- Support for specialized exemptions, including the Charitable exemption, the Nonprofit Housing Property Exemption for residential property intended for low-income occupancy, and other statutory exemptions.
- Advice regarding the application of Michigan's exemption provisions and case law and planning related to those provisions.

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- Preparation of exemption applications
- Representation in assessor disputes and appeals, including matters before the Michigan Tax Tribunal

Our goal is to protect your organization's property tax-exempt status while ensuring your operations, property use, and governance practices align with Michigan law and best-practice standards for charitable institutions.

## Representative Matters

### Experience Advising Nonprofit and Tax-Exempt Organizations

Miller Canfield supports mission-driven organizations across the full lifecycle, from formation to growth, governance, funding, and, when needed, transition or restructuring. Our experience includes:

#### Governance, Compliance, and Leadership Support

- Advising boards and executive teams on fiduciary duties, governance best practices, and risk management
- Drafting and updating bylaws, governance policies, and executive employment agreements
- Counseling on compliance and reporting obligations, including employment-related and civil rights compliance in organizational settings
- Conducting internal investigations and advising leadership on corrective action and culture-forward solutions

#### Employment and Workforce Matters

- Day-to-day employment counseling, including ADA/FMLA, wage and hour, leave laws, and workplace policies
- Defending and resolving discrimination, retaliation, and wrongful termination claims and agency charges
- Negotiating and administering collective bargaining agreements, grievances, discipline matters, and labor strategy
- Providing training for managers, supervisors, and boards on key workforce compliance topics

#### Benefits and Retirement Plans for Nonprofits

- Advising nonprofits on retirement benefit plan design, administration, and compliance
- Supporting transitions to new plan providers, plan redesigns, and wind-down/termination of legacy plans
- Counseling on fiduciary and regulatory issues that arise in nonprofit benefit programs

#### Contracts, IP, and Program Partnerships

- Negotiating and drafting complex grant and funding agreements, including intellectual property protections and licensing provisions
- Structuring sponsorships, vendor relationships, and collaboration agreements to support program delivery
- Advising on donor-facing documentation and required contribution acknowledgments

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### **Real Estate, Development, and Major Projects**

- Counseling on acquisition, redevelopment, disposition, and development agreements for mission-based facilities
- Supporting entitlement strategies and stakeholder engagement for major community-facing projects
- Advising on project contracting, operations issues, and risk allocation for complex facilities and programs

### **Education, Healthcare, and Public-Serving Institutions**

- Serving as outside counsel to tax-exempt and public-serving institutions with high regulatory and operational complexity
- Advising on civil rights compliance frameworks and related investigations and disputes
- Supporting institutional governance, employment, policy development, and crisis-response planning

### **Litigation and High-Stakes Dispute Resolution**

- Defending nonprofits and tax-exempt entities in employment and governance-related disputes
- Representing organizations in complex matters involving public policy, compliance obligations, and stakeholder scrutiny
- Helping resolve disputes through practical strategies that protect the mission, reputation, and leadership continuity