

Milwaukee Legal Initiative for Nonprofit Corporations (M-LINC)



STUDENT ORIENTATION
JANUARY 2009



With support from the
Helen Bader Foundation



Wisconsin Nonprofits



- 70% growth in Wisconsin nonprofit sector over past decade
- 17,840 registered charitable nonprofits in 2005 (not including foundations or religious congregations)
- Expenditures by reporting charitable nonprofits totaled \$22.8 billion and they held \$39 billion in assets
- The 2,127 foundations in Wisconsin held over \$7 billion in assets and gave over \$550 million in grants
- In 2005, the average charitable deduction for itemizing taxpayers in Wisconsin was \$2,622 – about 2% of their incomes.

M-LINC Goals



- (1) Increase awareness of the value of legal advice among area nonprofit organizations (“nonprofits”);
- (2) Reduce access barriers to high-quality legal services for nonprofits that cannot afford such services without a substantial impairment of their programs; and
- (3) Instill in graduate and professional students a desire to serve their community through nonprofits.

Introducing the M-LINC Director...



- Hired as director of M-LINC in July 2008
- Taught Nonprofit Law and Organizations at MULS in Spring 2008
- Foley & Lardner LLP, associate in the tax and individual planning group, 2006-2007
- Simpson Thacher & Bartlett LLP, associate in the corporate and exempt organizations groups, 2003-2006

Genesis of M-LINC



- Growth in the Nonprofit Sector – Public charities grew by 70% in Wisconsin over past decade
- Helen Bader Foundation and Greater Milwaukee Foundation enhance support system for nonprofits and nonprofit leadership
- Unmet legal needs surface as missing link
- Milwaukee Bar Foundation and Helen Bader Foundation conduct survey of nonprofit legal needs
- Nonprofit Legal Connection formed and disbanded at MBA in 2003
- MULS developed new model: M-LINC

Results of Legal Needs Survey



- Employment & Personnel Policies
- Corporate Structure and Business Entities
- Contract and Lease Negotiation/Review
- Regulatory Compliance
- Intellectual Property
- Fundraising & Donor Relations
- Charitable Registration & Status
- Lobbying and Advocacy

Wisconsin Rules of Professional Conduct

Pro Bono Standard

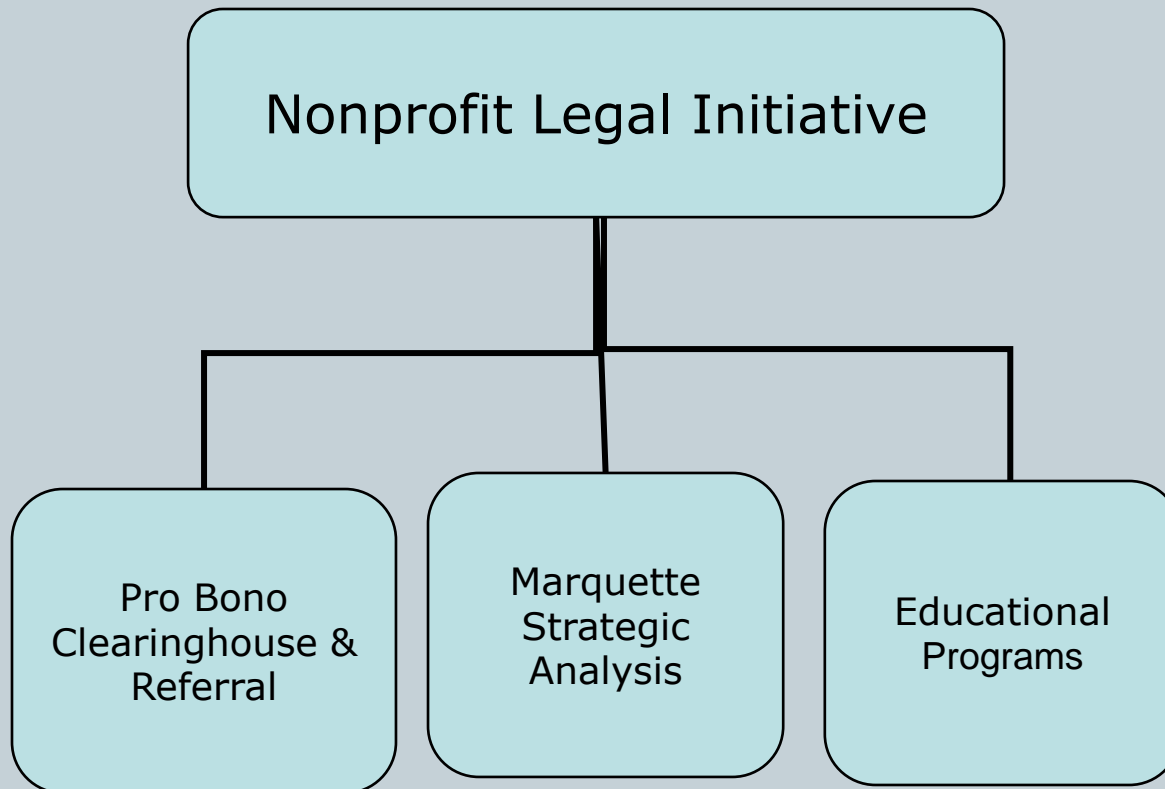


- **SCR 20:6.1 Voluntary pro bono publico service.**

Every lawyer has a professional responsibility to provide legal services to those unable to pay. A lawyer should aspire to render at least 50 hours of pro bono publico legal services per year. In fulfilling this responsibility the lawyer should:

- **(a) provide a substantial majority of the 50 hours of legal services** without fee or expectation of fee to:
 - (1) persons of limited means or
 - (2) **charitable**, religious, civic, community, governmental and educational organizations in matters that are designed primarily to address the **needs of persons of limited means**; and
- **(b) provide any additional services through:**
 - (1) delivery of legal services at no fee or substantially reduced fee to individuals, groups or organizations seeking to secure or protect civil rights, civil liberties or public rights, or **charitable**, religious, civic, community, governmental and educational organizations in matters in furtherance of their organizational purposes, where the payment of standard legal fees would significantly deplete the organization's economic resources or would be otherwise inappropriate;
 - (2) delivery of legal services at a substantially reduced fee to persons of limited means; or
 - (3) participation in activities for improving the law, the legal system or the legal profession. In addition, a lawyer should voluntarily contribute financial support to organizations that provide legal services to persons of limited means.

M-LINC Model



Pro Bono Clearinghouse and Referral



- How we receive requests for assistance:
 - 1-800 warm line
 - Email inquiries
 - Monthly walk-in clinic
- Typical requests received
 - Transactional in nature (i.e., no litigation)
- Process for review (Review the intake form and IRS Form 990):
 - 501(c)(3)?
 - Legal issue?
 - Unable to pay for legal services?
- Complete intake form via website (www.nonprofitinc.org)
- Execute retainer letter defining legal relationship
- Find volunteer attorney
- Follow up with nonprofits served and volunteer attorneys at least quarterly

Issues Arising in the Intake Process



- Not a 501(c)(3) – Apprise client of responsibilities of 501(c)(3) status and other options; walk through 501(c)(3) process (articles of incorporation, bylaws, Form 1023 application) on the phone; provide model documents and more specific answers to questions at monthly walk-in clinic. Do not make pro bono referral.
- Not a legal issue – Refer client to Nonprofit Center of Milwaukee, Nonprofit Management Fund or other resources.
- Organization is able to pay for legal services – Direct the nonprofit to nonprofit attorneys that it can hire and/or M-LINC's educational programs, where appropriate.

Marquette Strategic Analysis



- Overall strategic analysis of a chosen organization. Focus on marketing, fundraising, management and financial issues, as well as legal issues.
- Participants:
 - MULS (legal compliance, update organizational documents, policies and procedures)
 - MU College of Business Administration (finance and funding)
 - MU College of Communications (marketing and communication)
 - MU Office of University Advancement (fundraising)
- New program each school year
- Subject in 2008-2009 is WasteCap Wisconsin, Inc.
- Application procedure (July application deadline next week)
- Panel will schedule meetings with the board and senior executives of the nonprofit
- MU teams will analyze the nonprofits needs and document their analysis in their section of a strategic report.
- Intended outcome: strategic report in May 2009

Educational Programs



- At least four educational programs each year on legal issues (targeted at nonprofit board members and employees)

Likely topics include:

- ✦ Fundraising and revenue generating activities and associated legal issues
 - ✦ Employment law issues for nonprofits, including model personnel policies
 - ✦ Real estate law issues for nonprofits, focus on property tax exemption
 - ✦ Intellectual property issues for nonprofits, particularly issues relating to websites
 - ✦ Legal issues arising from the use of volunteers and legal protections for volunteers
 - ✦ Limits on political activity for nonprofits
 - ✦ Federal and state filing requirements for nonprofits
- One CLE program each year (targeted at Wisconsin attorneys)

Ways to Get Involved



- Field 1-800 warm line, email inquiries and pro bono referrals
- Staff monthly walk-in clinic (with attorneys)
- Prepare guidance documents for nonprofits to be posted on M-LINC website
- Help market M-LINC, particularly to area nonprofits
- Be paired up with an attorney on a pro bono referral project
- Participate in law school component of Marquette Strategic Analysis (2Ls and 3Ls only)
- Research for and participation in educational programs
- 2L and 3L student coordinators (Kati Tillema and Liz Koller)

Future Plans for M-LINC



- Upcoming educational programs:
 - Legal Issues in Managing Volunteers and Legal Protections for Volunteers (February at Nonprofit Center of Milwaukee)
 - Employment Law for Nonprofits (April at Nonprofit Center of Milwaukee)
 - Fundraising and Revenue Generating Activities (May at Nonprofit Center of Milwaukee)
 - Wisconsin Nonprofits Association Annual Conference (June)
- Nonprofit law course (Spring 2010)
- Clinical course (TBD)
- CLE on nonprofits in September 2009
- Prepare and publish guidance on legal issues for nonprofits and post on M-LINC website

Conclusion



- Thank you for volunteering!

Contact Information



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