



Connecting lawyers, nonprofits, and communities

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**New Law Imposes Donor Disclosure and Other Requirements
on Certain 501(c)(3) and 501(c)(4) Organizations**

In late August, Governor Cuomo signed a law with implications for 501(c)(3) organizations that contribute money, goods or services to 501(c)(4) organizations. The law also has implications for 501(c)(4) organizations that engage in lobbying, make independent expenditures, or even praise or criticize government officials and government bodies.

Lawyers Alliance recommends that nonprofit organizations take the following actions:

A 501(c)(3):

- that makes financial or in-kind donations to a 501(c)(4) should ask whether the 501(c)(4) is likely to spend at least \$15,000 on New York State or local lobbying in a 12-month period. If the answer is yes, the 501(c)(3) should consult with legal counsel about whether it may have to report its contributors to the Charities Bureau.

A 501(c)(4):

- that makes independent expenditures in connection with New York State or local elections should evaluate whether it has a relationship with a candidate, candidate's landlord, or people who have worked for the candidate in the past. If so, it should consult a lawyer about whether this relationship constitutes "coordination" under the new law, and what legal obligations may follow as a result.
- that spends over \$15,000 on New York State and local lobbying in a 12-month period should consult a lawyer about whether it is required to file a "source of funding" disclosure report.
- that engages in any policy or advocacy work should consult a lawyer about how to comply with the bill's broad, vague new disclosure requirements.

Additional information can be found here:

[http://lawyersalliance.org/pdfs/news_legal/Potential New Disclosure Obligations Legal Alert June 2016 for attorneys FINAL.pdf](http://lawyersalliance.org/pdfs/news_legal/Potential%20New%20Disclosure%20Obligations%20Legal%20Alert%20June%202016%20for%20attorneys%20FINAL.pdf)

This fact sheet is meant to provide general information only, not legal advice. Lawyers Alliance staff are available to help qualifying nonprofits determine whether they will be subject to new registration and disclosure requirements under this law, and to provide other business and transactional legal assistance. Please contact Senior Policy Counsel Laura Abel at (212) 219-1800 ext. 283 or visit www.lawyersalliance.org for further information.

Lawyers Alliance for New York is the leading provider of business and transactional legal services for nonprofit organizations that are improving the quality of life in New York City neighborhoods. Our network of pro bono lawyers from law firms and corporations and staff of experienced attorneys

collaborate to deliver expert corporate, tax, real estate, employment, intellectual property, and other legal services to community organizations. By connecting lawyers, nonprofits, and communities, we help nonprofits to develop affordable housing, stimulate economic development, promote community arts, strengthen urban health, and operate and advocate for vital programs for children and young people, the elderly, and other low-income New Yorkers.