Lawyers Alliance Supports Nonprofits That Help Youth Transition to Adulthood

The nonprofit sector is working hard to engage and support New York City’s older youth so that young people can develop a foundation for greater self-sufficiency, economic security, and mobility as adults. These efforts are particularly important now, when low-income and disadvantaged older youth face numerous challenges exacerbated by the protracted impact of the Great Recession. A recent study from Measure of America shows that 14.5 percent of New York City youth between the ages of 16 and 24 (approximately 185,000 young people) are disconnected, neither in school or working. The numbers are even more striking among the City’s African-American youth, with 23.3 percent disconnected, and Latino youth, 18.5 percent disconnected.

During 2014, Lawyers Alliance will engage in targeted client outreach to nonprofit organizations that work with disconnected and disadvantaged older youth, from middle school age through young adulthood. We offer a range of legal assistance to strengthen nonprofit programs that enhance educational and employment opportunities, housing, family stability, interactions with the criminal justice system, civic engagement, and overall youth development.

This new project complements Lawyers Alliance’s long-standing work with nonprofit organizations that serve young people of all ages, from birth to early childhood intervention, during primary and secondary education, and into young adulthood. Last fiscal year, 310 of our 640 clients operated programs serving children and youth.

In addition to general business law needs, certain legal issues are common among older youth and young adult programs.

Government Contracting and Regulatory Compliance: Government relies on nonprofit organizations to deliver culturally competent programming to at-risk youth. Nonprofit organizations need legal assistance in the funding...
An enthusiastic crowd of Lawyers Alliance for New York volunteers, client representatives, and supporters gathered on November 6, 2013 for the Cornerstone Awards. Presented annually, the awards recognize outstanding pro bono legal services to nonprofit organizations. In addition to saluting its more than 1,300 volunteers from the past year, Lawyers Alliance honored two firms and ten individual attorneys. Credit Suisse hosted the volunteer recognition event.

“This year’s honorees have delivered exemplary pro bono services, helping nonprofit organizations to provide vital programs and services to low-income communities in New York City,” said John D. Lobrano, Chair of the Board of Directors of Lawyers Alliance. “We are also pleased to honor those volunteers who stepped up after Superstorm Sandy to provide legal assistance to organizations supporting victims of the storm.”

Institutional Honorees
“The institutional Cornerstone Awards represent Lawyers Alliance’s most significant honor and are reserved for exceptional firm-wide business and transactional law pro bono,” noted Sean Delany, Executive Director. Kirkland & Ellis LLP: Attorneys from Kirkland have been volunteering with Lawyers Alliance since 2003, providing top-quality legal assistance to 40 different clients. Particularly impressive is the dramatic growth of Kirkland’s business law pro bono work in recent years, which has helped nonprofit organizations to educate youth, stimulate economic development, and provide vital social services. During the past year, Kirkland worked on 22 active cases through Lawyers Alliance, including 14 new legal projects.

Stroock & Stroock & Lavan LLP: For more than 20 years, Stroock has provided high quality service to more than 80 Lawyers Alliance clients on more than 140 matters. During the past year, the firm handled 38 active matters, including 18 new placements. Stroock has embraced multifaceted projects that require immediate assistance, complex problem solving, and challenging business law issues. Stroock was also awarded a Cornerstone in 2002, making it only the second firm to receive the Award twice.

Individual Honorees
“This year’s individual recipients have demonstrated a strong commitment to their nonprofit clients and the New Yorkers served by these essential organizations,” said Deputy Executive Director Elizabeth Guggenheimer.

Jonathan Hillel Ashtor, Skadden, Arps, Slate, Meagher & Flom LLP: For his supportive intellectual property assistance to nonprofit organizations working in areas as varied as technology services (NPowerNY), academic support (New Leaders), and arts education (The Arts and Music Alliance.org).

Allan S. Bloom, Paul Hastings LLP: For assisting seven nonprofits with employment-related matters since 2009, while mentoring firm associates interested in pro bono services. After Hurricane Sandy, he helped Lawyers Alliance deliver an employment law webinar and develop informational legal alerts.

Ezra Borut, Debevoise & Plimpton LLP: For decade-long dedication and leadership of a team of Debevoise lawyers representing the Business Center for New Americans, a nonprofit organization working in microenterprise lending and technical assistance for businesses started by recent immigrants.
**Davis Polk & Wardwell Legal Team:** For providing sophisticated and timely legal advice to an economic development corporation regarding a strategic alliance to better Bronx communities.

**Robert W Fagiola, Shearman & Sterling LLP:** For providing vital real estate advice within a long-standing pro bono relationship to the Clemente Soto Vélez Cultural and Educational Center, a cultural institution on the Lower East Side.

**Sylvie C. Goursaud, Hogan Lovells US LLP:** For supporting five nonprofit organizations with seven matters over the last four years, with a particular dedication to advocacy support and to organizations working with New York City’s immigrant population.

**Ji Kim, Morgan, Lewis & Bockius LLP:** For protecting a nonprofit organization’s interests in a public-private partnership, one of many Lawyers Alliance matters he has undertaken since 2005.

**Michael A. Lehmann and Jim Walsh, Manatt, Phelps & Phillips, LLP:** For helping Lawyers Alliance advocate for revisions to New York State’s Not-for-Profit Corporations Law.

**Lisa A. Levy, Fried, Frank, Harris, Shriver & Jacobson LLP:** For utilizing her tax expertise to guide nonprofit organizations through the process of incorporation and tax exemption, improving educational outcomes for urban youth.

**Lauren E. Manton, DLA Piper LLP (US):** For providing complex real estate legal advice to supportive housing, Head Start, and healthy aging programs.

Additionally, attorneys from 24 firms and corporations provided pro bono legal services after Hurricane Sandy and were honored with special certificates: Alston & Bird LLP; Arent Fox LLP; Chadbourne & Parke LLP; Cleary Gottlieb Steen & Hamilton LLP; Credit Suisse; Dechert LLP; Duane Morris LLP; Goodwin Procter LLP; Kay Scholer LLP; Kirkland & Ellis LLP; Lowenstein Sandler LLP; McCarter & English, LLP; Morgan, Lewis & Bockius LLP; Nixon Peabody LLP; O’Melveny & Myers LLP; Osler, Hoskin & Harcourt LLP; Paul Hastings LLP; Riemer & Braunstein LLP; Ropes & Gray LLP; Shearman & Sterling LLP; Skadden, Arps, Slate, Meagher & Flom LLP; Stroock & Stroock & Lavan LLP; Sutherland Asbill & Brennan LLP; and Weil, Gotshal & Manges LLP.

Congratulations to all of the 2013 Cornerstone honorees!
Youth Transitioning to Adulthood

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application process and reviewing contracts to ensure understanding and compliance. This includes performance-based contracts with City government entities such as the Department of Youth and Community Development (DYCD) and Department of Education (NYCDOE).

Case Example: iMentor improves the lives of young people from underserved New York City communities through innovative, technology-based approaches to youth mentoring and education. Lawyers Alliance staff and volunteer attorneys from Morrison & Foerster LLP assisted with the review of a proposed contract with NYCDOE. This contract will allow iMentor to expand its mentoring services to more public schools and to facilitate data production showing the impact of its services on students’ academic and school performance.

Employment Law and Human Resources: Youth organizations commonly confront questions about appropriate procedures for background checks, preventing harassment of staff and clients, structuring the employment relationship for part-time or seasonal staff, providing stipends and other incentives to youth program participants, and developing and updating personnel policies and manuals.

Case Example: JobsFirstNYC provides education and workforce development skills to the underemployed by connecting out-of-school and out-of-work young adults with the City’s economy. Volunteer attorneys from Hughes Hubbard & Reed LLP assisted JobsFirstNYC in drafting an employee handbook, helping the organization to formalize its operating policies and procedures.

Real Estate Law and Facilities: Quality legal assistance enables nonprofit managers to work through complex real estate issues that can have significant monetary implications and affect the organization’s ability to run programs. Areas of assistance include negotiating leases and subleases, obtaining and preserving the real estate tax exemption, and acquiring or selling real estate. Youth organizations operating in NYCDOE facilities typically must negotiate a license.

Collaborations and Strategic Alliances: Strategic alliances and collaborations provide youth-serving organizations opportunities to build partnerships that improve program offerings and strengthen organizational capacity. However, organizations undertaking such a transaction need to conduct due diligence and understand how best to structure the relationship.

Case Example: Misunderstood Youth Development Center (MYDC) focuses on prevention and intervention services for disadvantaged youth ages 8 to 24. Lawyers Alliance staff and volunteer attorneys from Vinson & Elkins LLP assisted MYDC in drafting collaboration agreements that it can use with other organizations for residential living placement, vocational training, and mentorship of MYDC’s clients and interns. These relationships will allow MYDC to provide additional services and better support youth in its programs.

Whether a youth-serving organization seeks to update its governance documents, minimize potential liabilities associated with working with older youth, or respond to information requests from courts or other entities for youth client information, Lawyers Alliance staff and volunteer attorneys are ready to provide clients with the legal counsel they need.

For client services information, please contact Staff Attorney Nicole Cuttino at (212) 219-1800 ext. 228 or ncuttino@lawyersalliance.org. To volunteer to represent a youth-serving organization, contact Pro Bono Manager Michelle Maloney Friend at ext. 242 or mfriend@lawyersalliance.org.
In Brief

New Staff at Lawyers Alliance

Kathryn Byrd, Development Coordinator, is a key liaison to Lawyers Alliance’s funders. She is currently coordinating the annual Law Firm Appeal and Individual Appeal. Prior to joining Lawyers Alliance, she worked as the Development Associate at the North Coast Repertory Theatre in California. Ms. Byrd received a B.A. from San Diego State University and a certificate from The Fundraising School at the Center on Philanthropy.

Anne Gilberg, Program Associate for Pro Bono, is a key liaison between Lawyers Alliance and its volunteers. She engages in pro bono outreach to law firms and corporations and coordinates the staffing of pro bono matters. Prior to joining Lawyers Alliance, Ms. Gilberg served as National Director of Global Entrepreneurship Week/USA. She earned an M.P.A. from New York University’s Robert F. Wagner School of Public Service and a B.A. from George Washington University.

Lawyers Alliance Publication: Advising Nonprofits, Fifth Edition

Advising Nonprofits is a comprehensive guide to legal issues encountered by New York nonprofit staff, board members, and the attorneys who advise them. Revised in 2013, it covers corporate governance and structuring, contracts, regulatory compliance, fundraising, personnel management, lobbying and political activity, intellectual property, and revenue-generating activities. The Appendices contain model documents and practical checklists.

Advising Nonprofits Tip: Nonprofits and their attorneys should plan carefully to ensure that revenue-generating activities allow them to maintain tax-exempt status. If a certain activity poses legal risks to tax-exempt status, a nonprofit can engage in revenue-generating activities and limit liability through a nonprofit or for-profit subsidiary that furthers the parent’s exempt purposes. Learn more in Chapter 12 of Advising Nonprofits.

This 531-page publication is available as a bound printed copy ($100) and as both an Individual Use ($100) and Site License ($200) PDF download. The Table of Contents can be viewed free of charge at www.lawyersalliance.org/pdfs/AdvisingTOC.pdf.

To order, visit www.lawyersalliance.org/publications.php or call Kendra Sykes at (212) 219-1800 ext. 223.

Con Edison Volunteers Host Legal Clinic on Contracts

In late October Lawyers Alliance partnered with Con Edison for a hands-on legal clinic for nonprofit organizations. Lawyers Alliance staff attorneys presented information on the basics and importance of contracts, as well as when to renegotiate or terminate a contract. After the presentation, each of the seven nonprofits in attendance had the opportunity to meet with one of the 11 volunteers from Con Edison to review a contract, receiving helpful guidance. The attending groups are running programs for children and youth, operating important social service programs, protecting affordable housing, and promoting art and cultural programs. The Con Edison volunteers assisted the organizations with a wide range of contracts, including leases, government contracts, information technology contracts, and other services agreements.
Assessing Impact of Proposed IRS Regulations on Nonprofits’ Civic Engagement Activities

On November 29, 2013, the Internal Revenue Service (IRS) proposed regulations that, if implemented, could deter Lawyers Alliance clients from helping communities engage in the democratic process. The regulations would create “bright line” rules about the kind of political activity 501(c)(3) and 501(c)(4) social welfare nonprofits may conduct related to candidates for public office. Currently, these organizations must spend the majority of their resources on social welfare activity, and they may spend the remainder on partisan political activity other than direct campaign support. Under current law, an activity is not political if an examination of the “facts and circumstances” reveals the activity is nonpartisan in design and execution. The IRS writes that its new bright line rules “would provide greater certainty and reduce the need for detailed factual analysis.”

Bright lines are helpful for small nonprofits with limited legal resources. Our 501(c)(3) and 501(c)(4) clients are eager for assistance from volunteer attorneys to determine whether civic engagement and electioneering activities are permissible under the federal tax code. Lawyers Alliance also provides educational guidance for nonprofits and volunteer attorneys, to help them understand the differences between 501(c)(3) and 501(c)(4) tax-exempt entities and how to apply the facts and circumstances test.

However, the benefits of the proposed bright line test for 501(c)(4) social welfare organizations must be balanced against the proposed rules’ redefinition of a wide swath of activity as “candidate-related political activity.” Voter registration, get out the vote drives, voter guides, and candidate forums would be covered even if they are intended to be, and in fact are, nonpartisan. Also covered would be a communication mentioning a candidate for public office and distributed to 500 or more people two months before an election, even if the candidacy is never mentioned and the communication is completely nonpartisan.

While the proposed regulation is aimed at social welfare organizations, it could have an even greater effect on the 501(c)(3) public charities that constitute the overwhelming majority of nonprofits that are involved in civic engagement work. Public charities are forbidden to engage in partisan political activity, and they risk revocation of their exempt status if they do so. Whether an activity is political is determined through the same facts and circumstances test applied to social welfare organizations. The IRS has not decided whether to apply the new bright line test to public charities, and it has invited comment on that possibility. A serious concern is that, once a particular activity is defined as “political” in the context of social welfare organizations, it will come to be seen as too “political” for public charities.

If the new bright line test is applied to public charities, they will no longer be able to register voters, educate them, or help them get to the polls. The likely result is a decrease in voter turnout, particularly in the low-income communities where nonprofits are active. Public charities could also be hit hard by the regulation’s redefinition as political of the mere mention of the name of a candidate before an election. For instance, a senior citizen center could be barred from circulating to its members a notice about the availability of flu vaccinations signed by the health commissioner, if the commissioner is running for public office. A PTA could be required to remove from its website the name of the PTA president if she were running for election to the school board. A civil rights group could be barred from circulating an opinion in a case it had just won, if the judge were running for re-election.

As this newsletter goes to press, Lawyers Alliance is reaching out to clients and colleagues to explore the impact of the proposed regulations and to decide whether and how to respond. Whatever happens with the regulation, we will continue to provide guidance to tax-exempt organizations about their obligations under the federal tax code.

Please let us know if your nonprofit organization seeks help assessing what you can and cannot do consistent with your tax status, or if you are a volunteer attorney, whether you interested in helping those clients. Contact Senior Policy Counsel Laura Abel, (212) 219-1800 ext. 283 or label@lawyersalliance.org for more information.
Friends Profile: Bradley Kulman

Bradley Kulman is a partner in the New York office of Stroock & Stroock & Lavan LLP, practicing corporate and securities law. He received an Individual Cornerstone Award in 2004 for his exemplary pro bono work with ReadWorks and Health People and continues to engage in substantial pro bono work on behalf of nonprofits.

Q – You have been a Lawyers Alliance volunteer since 2001. What motivated you to volunteer, and how did you first become involved with Lawyers Alliance?
I had always done some pro bono work, but it was a bit sporadic and random. In early 2001 Stroock partner Kevin Curnin created the firm’s Public Service Project to systemize our approach to pro bono, particularly on the business and transactional side. I found Lawyers Alliance and ReadWorks through Kevin and the Public Service Project and started volunteering on a regular basis.

Q – You’ve formed a long-standing, volunteer general counsel (VGC) relationship with ReadWorks. Please describe some of the legal work you’ve done for this nonprofit organization.
When I became involved in 2001, ReadWorks [then known as the Friends of the Family Academy] was an organization that provided support for reading instruction at a public elementary school in Harlem. At that time, the organization was interested in separating from the school so that it could provide materials, training, and instruction to a broader group of public and charter schools. This required a range of organizational-type assistance, including guidance on leases, employment law matters, and benefits, as well as nonprofit law advice. Over the years, the mission and focus of the organization has evolved significantly and today it is a leader in providing a research-based and Common Core-aligned reading comprehension curriculum for grades K-6, serving over 500,000 teachers (and, through them, millions of students) free of charge. During that evolution Stroock provided increasingly sophisticated transactional and intellectual property advice regarding ReadWork’s website and its partnerships with other nonprofit and for-profit players in the EdTech (education technology) market. This legal work has proven both interesting and rewarding. EdTech is a very active and fast-moving area that I might not have been exposed to otherwise.

Q – What are the benefits of a VGC relationship, for the attorney and for the nonprofit?
A long-term pro bono relationship allows you to become more familiar with the client’s needs, priorities, and personalities and, I find, is ultimately more satisfying than providing one-time assistance. Once a working relationship is established, it benefits both the volunteer and client. There’s no need to explain the organization’s mission and approach repeatedly.

Q – How has your pro bono experience through Lawyers Alliance affected your professional choices and growth?
As a transactional lawyer, I don’t often see the benefits of my work directly. Working with an organization such as ReadWorks permits me to see the tangible results of my work, as the organization grows and accomplishes its goals. ReadWorks has exposed me to an important area affecting New Yorkers that’s not closely related to my practice – public schools and reading curricula.
Law Firm Appeal Supports Vital Legal Services for Nonprofits

Lawyers Alliance’s 2013-2014 Law Firm Appeal is co-chaired by Creighton Condon and Clare O’Brien of Shearman & Sterling LLP. The funds raised through this Appeal help Lawyers Alliance provide legal services and educational resources to nonprofit organizations serving low-income neighborhoods throughout New York City.

Mr. Condon is the firm’s Senior Partner, having formerly served as European Managing Partner and co-head of the firm’s Global Mergers & Acquisitions Group. He represents multinational corporations in acquisitions and sales of public and private companies and in joint ventures. He regularly provides advice regarding issues of corporate governance and control.

Mr. Condon remarks, “Shearman & Sterling is pleased to spearhead this year’s Law Firm Appeal. The funds raised will ensure that New York City nonprofit organizations receive invaluable legal assistance, helping them to operate vital programs for children, the elderly, and individuals and families. We are grateful to be part of a strong legal community that supports high caliber pro bono work by business and transactional lawyers.”

Ms. O’Brien is a Partner at Shearman & Sterling and the Vice Chair of Lawyers Alliance’s Board of Directors. She regularly advises major United States and international clients on their public and private mergers and acquisition transactions, including public company restructurings, joint ventures, and large public transactions.

Ms. O’Brien notes, “Lawyers Alliance provides necessary legal services to nonprofit organizations that serve the neediest New Yorkers. The Appeal enables Lawyers Alliance to continue its staff-supported pro bono program, which offers a wide range of case opportunities that further law firms’ pro bono goals, give newer associates the chance to gain valuable training, and encourage more seasoned lawyers to mentor and team with colleagues on complex legal strategies critical to the future of nonprofit organizations.”

To donate to the 2013-2014 Law Firm Appeal, please contact Development Coordinator Kathryn Byrd at (212) 219-1800 ext. 225 or kbyrd@lawyersalliance.org.