Economic uncertainty is having an impact on nonprofits and their services. Many organizations continue to experience delays in government contract payments, the philanthropy pipeline is strained, and pandemic relief lines have been exhausted. A smaller number of nonprofits serving low-income New Yorkers are upsizing due to significantly increased funding. Building on our experience helping nonprofits through major challenges, from the 2008 recession to the throes of the pandemic, Lawyers Alliance announces our new Program Preservation, Evolution, and Financial Change initiative, designed to address the legal implications of current financial challenges and economic uncertainty.

We encourage nonprofit clients to contact us for legal help. We simultaneously are recruiting more pro bono business and transactional lawyers to work in conjunction with our staff on these pressing issues.

**Legal strategies to improve financial positioning**

In these uneven economic times, nonprofits are reevaluating financial plans, turning to cash flow loans to deal with government contract delays, and struggling with too much or too little real estate, all areas where pro bono attorneys can make a positive difference.

### Case Example:

Facing delayed payments from government contracts, Destination Tomorrow turned to Lawyers Alliance and pro bono attorneys from Polsinelli PC to negotiate bridge financing with the Nonprofit Finance Fund. With this loan, Destination Tomorrow can continue to provide educational, financial, housing, and health services that empower 5,242 vulnerable LGBTQ+ community members in the Bronx and throughout New York City and its surrounding areas. Reports attorney Gabriel Yomi Dabiri, “As new Lawyers Alliance volunteers, our team is inspired by Destination Tomorrow’s work, and excited by the opportunity to provide pro bono support to Destination Tomorrow and other nonprofits that benefit our City.”

Continued on reverse
Strengthening organizations that help others

Some nonprofits are bringing capital and credit to underserved communities by making loans or grants to community-based organizations so these organizations can maintain or expand programming. They need legal assistance to memorialize these agreements.

Case Example: When financing lawyers from White & Case LLP expressed interest in using their legal expertise on a meaningful pro bono matter, Lawyers Alliance connected the law firm to Inclusiv. This longtime Lawyers Alliance client promotes financial inclusion by supporting and organizing 500 member community development credit unions (CDCUs) that provide financial services to more than 20 million residents of historically redlined and low-income communities in 47 states, Washington DC, Puerto Rico, and the US Virgin Islands. The White & Case pro bono team reviewed Inclusiv’s loan agreement and promissory note, which, reports CFO Eben Sheaffer, “enabled Inclusiv to obtain a $3,500,000 loan from The Annie E. Casey Foundation to be used as subordinated debt investments and mortgage loans in CDCU communities, with a focus on communities of color.”

Providing opportunities for nonprofits to grow

For those nonprofits fortunate enough to have increased funding or that are otherwise engaged in infrastructure expansion, pro bono advice from a corporate, employment, real estate, or exempt organizations attorney may be needed.

Case Example: Attorneys can review and negotiate leases for larger program or office space. That is how volunteers from Dechert LLP helped The Knowledge House, which provides tech, digital, and entrepreneurship training and professional development for youth in low-income communities. Building on its success in serving 1,900+ youth and young adults in New York City, Newark, Atlanta, and Los Angeles, The Knowledge House sought to move to a bigger Bronx location in anticipation of teaching classes in-person and potentially receiving federal funding. Jerelyn Rodriguez, Co-Founder and CEO, says, “Pro bono attorneys from Dechert reviewed our lease for the new space, and The Knowledge House moved in November 2023, allowing us to focus on expanded programming.”

Lawyers Alliance thanks The New York Community Trust for its new grant to Lawyers Alliance to help nonprofits with the legal implications of financial challenges and economic uncertainty.

For more information, please contact Lawyers Alliance Executive Director Elizabeth Guggenheimer at eguggenheimer@lawyersalliance.org.