

Milwaukee Legal Initiative for Nonprofit Corporations (M-LINC)



**NONPROFIT ORGANIZATIONS
MEET AND GREET SESSION**

**Nonprofit Management Fund
November 2008**



With support from the
Helen Bader Foundation



What is M-LINC?



- **An organization formed to help serve the legal needs of Wisconsin nonprofits.**
- **M-LINC will serve these needs through:**
 - Educational programs on relevant legal topics;
 - Answering legal questions for FREE and referring qualifying nonprofits to attorneys who will answer their legal questions for FREE; and
 - Assisting a chosen nonprofit each semester in assessing, not only its legal needs, but also fundraising concerns, marketing issues, and its overall business plan.

How can M-LINC help your organization? (i.e., a legal checklist for nonprofits)



- Does your organization follow the rebuttable presumption of reasonableness when approving compensation arrangements of key employees and other insider transactions?
- Does your organization need to complete the new Form 990-N (e-Postcard) (an annual filing for nonprofits with normally \$25,000 or less in gross receipts) or do you need guidance in answering questions relating to the new Form 990.

Legal Checklist Continued...



- Does your organization send written acknowledgements to donors who have made contributions of \$250 or more or who have received some goods or services in return for their charitable contribution?
- Has your organization adopted a conflict of interest policy (with annual written disclosure statements) and educated its board of directors and employees about the parameters of this policy?
- Has your organization adopted a code of ethics that addresses issues of transparency, disclosure in fundraising solicitations, and integrity in governance?

Legal Checklist Continued...



- Has your organization adopted a whistleblower policy?
- Has your organization posted its Form 990, annual reports and financial statements on its website?
- Has your organization adopted and implemented a document retention policy?
- Has your organization adopted a travel and entertainment expenses policy and have the organization's employees been educated regarding the parameters of the policy?

Legal Checklist Continued...



- Has your organization drafted and implemented personnel policies, such as vacation, maternity leave, health insurance, evaluation and overtime compensation? Note: these policies should be in writing and given to all employees prior to hiring, with changes in policies communicated on a regular basis.
- Has your organization updated its bylaws in the past five years?
- Has your organization assessed what type of accounting policies and procedures are appropriate based on the organization's size?

M-LINC Goals



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

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, including the Nonprofit Management Fund**
- **Unmet legal needs surface as missing link**
- **Milwaukee Bar Foundation and Helen Bader Foundation conduct survey of nonprofit legal needs**
- **Nonprofit Legal Connection formed at MBA**
- **Marquette University Law School developed new model: M-LINC**

Results of Legal Needs Survey: Nonprofits Want Help With Corporate Legal Questions



- Employment Law & Personnel Policies
- Corporate Structure and Business Entities (Formation, Dissolution, Mergers, Joint Ventures)
- Contract and Lease Negotiation/Review (Particularly for Real Estate)
- Regulatory Compliance (Annual Federal and State Filings Plus Registration for Solicitation)
- Intellectual Property (Websites, Trademarks)
- Fundraising & Donor Relations (Documentation Requirements for Donations)
- 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



Nonprofit Legal Initiative

Pro Bono
Clearinghouse &
Referral
(i.e., FREE Legal
Advice)

Marquette
University
Strategic
Analysis

Educational
Programs

FREE Legal Advice and Referrals



- **How we receive requests for assistance:**
 - 1-800 warm line (1-888-530-5462)
 - Email inquiries (mlinc@marquette.edu)
 - Monthly walk-in clinic (Second Wed. of month from 3 to 5 at the House of Peace)
- **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.nonprofitlinc.org)**
- **Execute retainer letter defining legal relationship**
- **M-LINC will answer your legal question or find you a volunteer attorney**
- **M-LINC will follow up with nonprofits served and volunteer attorneys at least quarterly to ensure quality services**

Marquette Strategic Analysis



- Overall strategic analysis of a chosen organization. Focus on marketing needs, fundraising issues, management and financial issues, including overall business plan, as well as assessing the organization's legal issues.
- Idea: Utilize the expertise of Marquette faculty, administrators and students to help a chosen nonprofit.
- Participants:
 - MU Law School (legal compliance, update organizational documents, policies and procedures)
 - MU College of Business Administration (business plan, finance and funding)
 - MU College of Communications (marketing and communication)
 - MU Office of University Advancement (fundraising)
- New nonprofit chosen each year.
- Application procedure (application deadline late August).
- Panel will schedule meetings with the nonprofit's board and senior executives.
- MU teams will analyze the nonprofit's needs and present the nonprofit with advice based on its needs and their expertise.
- Intended outcome: strategic report by May.

Educational Programs



- **Four educational programs each year on legal issues (targeted at nonprofit board members and employees)**

Likely topics include:

- ✦ Employment law issues for nonprofits, including model personnel policies
 - ✦ Real estate issues for nonprofits, with focus on property tax exemption
 - ✦ Legal issues in fundraising and revenue generating activities for nonprofits
 - ✦ Legal issues in managing volunteers and protections for volunteers
 - ✦ A primer on limits on political activity for nonprofits
 - ✦ The internet world: legal issues for nonprofits
 - ✦ Update on federal and state filing requirements for nonprofits
- **One CLE program each year (targeted at Wisconsin attorneys)**

Recent and Upcoming Educational Programs



- **October 20th – Record podcast at the Nonprofit Management Fund on the subject of excess benefits (basically compensation)**
- **October and November - Meet and Greet Sessions at Nonprofit Management Fund**
- **November 2008 – Speak about M-LINC to Donors Forum meeting**
- **November 18th 7:30 to 9:30 a.m. - Agency Executive Group meeting via the Nonprofit Center of Milwaukee speaking on the subject of legal issues of fundraising and revenue generating activities for nonprofits.**
- **February 2009 – Educational program at the Nonprofit Center of Milwaukee on legal issues in managing volunteers and protections for volunteers**
- **May 2009 – Educational program at the Nonprofit Center of Milwaukee on employment law for nonprofits**

Future Plans for M-LINC



- Expanded M-LINC website, including comprehensive resources and links for area nonprofits
- M-LINC will prepare and publish guidance on legal issues for nonprofits and post on M-LINC website

Conclusion



- **Thank you for taking the time to learn about M-LINC today.**

Contact Information



M-LINC

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