

**Auburn University
College of Liberal Arts
Department of Political Science and MPA Program**

Course Syllabus

POLI 5550/6550

Special Topic: Nonprofit Law and Governance

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Email
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Monday and Tuesday 1-4 pm
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COURSE DESCRIPTION

This course provides a mid-level introduction to the legal principles and regulatory requirements that apply to the formation, governance, and operation of the diverse array of organizations that constitute the American nonprofit and voluntary sector and the governing boards of these organizations.

CREDIT HOURS

This course is a 3-credit hour course at the undergraduate and graduate level.

COURSE OBJECTIVES

At the conclusion of the course, undergraduate and graduate students will be proficient in identifying common legal and regulatory issues in the formation, governance, operation of American nonprofit organizations.

Students will be familiar with the language of the legal and regulatory environment of nonprofit organizations and the major issues that face these groups.

Students will gain experience in critical thinking and writing by analyzing situations that face nonprofit organizations and by applying principles through a series of mock board meetings held to govern a nonprofit organization formed to address a current community concern. Students will gain experience in making recommendations that guide decision within the nonprofit governance structure. All students will gain understanding of the issues facing nonprofit organizations through informal discussions with nonprofit leaders in a variety of settings.

By the end of the course, undergraduate and graduate students will demonstrate mastery of:

- The basic legal architecture of institutions in the American nonprofit sector including public charities and private foundations, public welfare groups and business associations;
- The major themes and legal terminology related to the law and governance of nonprofit organizations and voluntary boards of directors;

- The major areas of legal concern pertaining to nonprofit organizations and voluntary boards of directors including formation, dissolution;
- Governance principles surrounding liability for governing boards; and
- Emerging challenges in the field.

In addition, graduate students will demonstrate advanced critical and analytical skills through leadership of undergraduate student teams in exploration and analysis and through individual research on emerging issues in the field.

Required Texts/Reading (All Students)

The organizations that form the American nonprofit sector include public charities, foundations, advocacy groups, political parties and related campaign organizations, social clubs, community groups, faith-based organizations, and other special categories. These organizations face unique legal and ethical requirements and liability pitfalls in their formation, governance, and operation. These issues range across board composition, key staff compensation, conflicts of interest in the community, lobbying, advocacy, limitations on speech, restricted funding streams, donor disclosure, fundraising, volunteer activities, and unrelated business activities. The required readings listed below will address the primary topics addressed by law and regulation; students will draw upon additional readings and conversations with nonprofit leaders to complete course assignments.

Hopkins, Bruce R. 2005. *Nonprofit Law Made Easy*. New York: John Wiley & Sons, Inc. (288 pages).

Ostrower, Francie. 2007. *Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Survey*. The Urban Institute Center on Nonprofits and Philanthropy (50 pages).

Selected cases from Fishman, James J. and Steven Schwarz. *Nonprofit Organizations: Cases and Materials 2d* (2001) and 3/e supplements (2008). Foundation Press.

Additional Resources (All Students)

Additional resources that could be assigned as required readings or to complete class assignments include case studies based upon public information about particular nonprofit organizations, news accounts, court decisions, and legislative proposals regarding nonprofit organizations and voluntary sector boards of directors. Students will also derive necessary information from meetings with nonprofit leaders scheduled as a part of the course and through independent research to complete course assignments.

Focus of Assignments (All Students)

For all students, assignments are oriented around actual problems facing nonprofit organizations in Alabama. A central framework of the course is the formation of a mock nonprofit organization and a nonprofit board that functions within the classroom. Students gain experience in critical thinking and writing by analyzing situations that face nonprofit organizations and by applying principles through a series of mock board meetings held to govern a nonprofit organization formed to address a current community concern. To understand the practical origins and implications of these issues, students

also meet in small groups with representatives of nonprofit organizations and conduct independent explorations of questions facing these leaders. Small group meetings are held in various locations outside the classroom including nonprofit organizations and public meeting spaces on campus.

Graduate students gain additional analytical experience by analyzing emerging issues that face nonprofit organizations and voluntary boards of directors and executives, making recommendations that guide governance decision making, and leading undergraduate teams in their work on identifying issues and proposing solutions.

A significant portion of this course requires self-directed activity, research, and meetings and/or communication outside the weekly seminar meeting.

Grading and Evaluation: Undergraduate Students

Students demonstrate mastery of the material through engaged discussion and participation within the classroom and with nonprofit leaders, independent research and writing assignments, and examinations. Assignments include a mix of individual and group efforts.

Students should expect to spend approximately 9.0-10.5 hours of total work per week on this course, including the time spent in class. Students are expected to complete assigned readings before class discussion/lecture on the readings. Students will also benefit from taking notes on the materials and on class discussions.

Case Reflection (10%)

As an initial writing assignment, students write a 3-4 page memorandum to the CEO/executive director of a nonprofit organization identified by the professor. In the memorandum, students analyze the practical effect of a settled case pertaining to nonprofit organizations. The memorandum requirements include a description of the case in lay terms, brief discussion of the decision, and an analysis of the influence that the decision will have on the operation of nonprofit organizations in general. Additional information about the case and the organization will be provided by the instructor.

Nonprofit Board Meetings and Course Participation (30%)

Participation includes class discussion around forming a nonprofit organization, participation at mock board meetings of the organization convened during class meetings, and attendance at two of the discussion sessions with nonprofit leaders hosted by the professor throughout the semester. Students are assigned board roles by the instructor; roles rotate throughout the course. Issues that come before the board are drawn from the course syllabus and address issues facing the nonprofit sector. Attendance is a prerequisite for participation credit.

Issue Identification and Proposed Solutions (50% total)

Students work in teams led by graduate students in the class to identify issues and propose solutions to a set of issues posed in a case scenario facing the mock nonprofit organization. Issues facing the organization are typical of the issues facing an Alabama nonprofit organization and include current legal interpretations of state and federal issues. Students prepare three memoranda for the case. One

is a memo to the nonprofit board of the organization that is the subject of the case. Another is a memo to the CEO/executive director of the organization. The last is a memorandum modeled after a judicial opinion; this memorandum describes the issues and the likely resolution if the situation were presented to an interpretive body. Students conduct independent research about the case scenario throughout the semester by contacting representatives of relevant nonprofit organizations and through the discussion sessions scheduled throughout the course.

Final Exam (10%)

The final exam draws upon the fundamental terminology and concepts that pertain to the body of law and regulation surrounding nonprofit organizations and voluntary governing boards.

There will be no unannounced quizzes in this course.

Grading and Evaluation: Graduate Students

Leadership of Issue Identification and Proposed Solutions (40%)

Graduate students lead teams of undergraduate students to identify issues and propose solutions around the case scenario facing the mock nonprofit organization. Issues facing the organization are typical of the issues facing an Alabama nonprofit organization and include current legal interpretations of state and federal issues. Students work as a group to prepare three memoranda for the case. One is a memo to the nonprofit board of the organization that is the subject of the case. Another is a memo to the CEO/executive director of the organization. The last is a memorandum modeled after a judicial opinion; this memorandum describes the issues and the likely resolution if the situation were presented to an interpretive body. Students conduct independent research about the case scenario throughout the semester by contacting representatives of relevant nonprofit organizations and through the discussion sessions scheduled throughout the course.

Research Project (30%)

Students prepare an 8-10 page research paper on an issue of current interest within the field of nonprofit law and regulation. The research paper requirements include identification of the area of concern, discussion of the implications for nonprofit organizations, examples within the nonprofit sector, and a recommendation for resolving the issue. Topics will be reviewed with the instructor early in the semester. All topics will tie to the issues under discussion by the class board and class nonprofit organization and are drawn from current issues facing Alabama nonprofits.

Participation (30%)

Participation includes class discussion around issue identification and participation at mock board meetings convened during class meetings, and attendance at two community discussion sessions with nonprofit leaders hosted by the professor throughout the semester. Students are assigned board roles by the instructor; roles rotate throughout the course. Issues that come before the board are drawn from the issues facing the nonprofit sector. Attendance is a prerequisite for participation credit.

Course Policies (All Students)

Grade scale

A = 90.0 - 100%
B = 80.0 – 89.9%
C = 70.0 – 79.9%
D = 60.0 – 69.99%
F = below 60.0%

Class attendance

This seminar meets once each week and regular attendance is expected. The formation of a mock nonprofit organization, board meetings, and issue discussions require advance preparation, active participation within the group, participation in scheduled meetings with the instructor as noted in the syllabus, research, and writing outside class time. Students who do not attend group meetings or participate in scheduled board meeting presentations or discussion opportunities will not receive full credit for that portion of the course.

Policy on plagiarism, cheating, and other forms of academic dishonesty

The course of action for any student suspected of plagiarizing, cheating or otherwise participating in any form of academic dishonesty as defined in the *Tiger Cub* will result in referral to the Academic Honesty Committee and sanctions per the policies stated in the *Tiger Cub*.

Exam policies

The final exam is governed by University policy. Please adhere to the relevant deadlines.

Assignment deadlines and missed or late work

Note well that all assignment deadlines are firm.

Late written work is considered timely only when absences meet the requirements specified in the *Tiger Cub*; otherwise, late work is reduced 1 letter grade for each three calendar days that the assignment is late, including the due date. Opportunities to make up missed-in board discussions/presentations and similar work will be provided only when absences meet the requirements specified in the *Tiger Cub* and only to the extent that make up opportunities do not infringe on presentations/discussions scheduled for other students.

Emails about the course/responding to emails/Blackboard

Please check your Auburn email account and Blackboard regularly for important announcements about this course. I make every effort to respond to student emails within one working day.

Reminder on course withdrawal policy

Students may withdraw from this course according to University policy. Consult the *Tiger Cub* for specifics.

Accommodations for students with disabilities

Students who need accommodations are asked to arrange a meeting with me during office hours the first week of classes, or as soon as possible if accommodations are needed immediately. If you have a conflict with my office hours, an alternate time can be arranged. To set up this meeting, please contact me by e-mail. Bring a copy of your Accommodation Memo and an Instructor Verification Form to the meeting. If you do not have an Accommodation Memo but need accommodations, make an appointment with The Program for Students with Disabilities, 1244 Haley Center, 844-2096 (V/TT).

Course Outline and Tentative Schedule of Assignments

The following is an approximate guide for class meetings, assignments, and exams, and is subject to modification by the professor. A schedule of meeting opportunities with community/nonprofit organizations will be provided in week 2. Board meetings are planned for most class sessions beginning in week 3.

[Dates below apply to Spring 2011]

Week	Week of	Topic and Readings	Assignment Due Dates
1	1/12	<ul style="list-style-type: none"> • Introduction including expectations and requirements • Syllabus • IRS website introduction 	
2	1/19	<ul style="list-style-type: none"> • Formation and dissolution of the organization • Hopkins, Ch. 1 • Discussion and assignment of undergraduate case reflection • Fishman/Schwarz as assigned 	Undergraduate student teams assigned Graduate student team leaders assigned
3	1/26	<ul style="list-style-type: none"> • Acquiring and maintaining tax-exempt status • Hopkins, Ch. 2 • IRS website review 	Board meetings begin Graduate research topics selected
4	2/2	<ul style="list-style-type: none"> • Public charities and public foundations • Hopkins, Ch. 3 • Fishman/Schwarz as assigned 	Undergraduate case reflection due
5	2/9	<ul style="list-style-type: none"> • Governance principles and liabilities • Hopkins, Ch. 12 • Additional reading on Sarbanes-Oxley • Fishman/Schwarz as assigned 	
6	2/16	<ul style="list-style-type: none"> • Charitable giving and fundraising • Hopkins, Chs. 5 and 8 • Fishman/Schwarz as assigned • Additional reading - Association of Fundraising Professionals certification 	Team progress reports
7	2/23	<ul style="list-style-type: none"> • Donor disclosure and other disclosure requirements • Hopkins, Ch. 6 	
8	3/2	<ul style="list-style-type: none"> • Advocacy including legislative and political 	Team progress reports

		<p>activity; speech issues</p> <ul style="list-style-type: none"> • Hopkins Ch. 10 (218-230) • Fishman/Schwarz as assigned • ACORN articles as assigned 	
9	3/9	<ul style="list-style-type: none"> • Unrelated business activities, subsidiary organizations and joint ventures • Hopkins Ch 7, 11 • Fishman/Schwarz as assigned 	
	3/16	Spring break – no class	
10	3/30	<ul style="list-style-type: none"> • Reporting requirements; avoiding legal traps and pitfalls – primary purpose rule, private inurement/benefit, intermediate sanctions • Fishman/Schwarz as assigned 	Teams meet to finalize decisions and presentation to the board and CEO/executive director
11	3/23	<ul style="list-style-type: none"> • Student roundtable discussion of case studies and issue analysis 	Team presentations due in class. Presentation and discussion of analysis and conclusions.
12	4/6	<ul style="list-style-type: none"> • Performance and accountability basics (Ostrower report) • Professional accreditation standards 	
13	4/13	<ul style="list-style-type: none"> • Constitutional provisions; current events and pending legislation • Hopkins Ch 13 • Fishman/Schwarz as assigned 	
14	4/20	<ul style="list-style-type: none"> • Graduate student research presentations 	Graduate student research presentations
15	4/27	<ul style="list-style-type: none"> • Continue graduate student research presentations depending on class size • Course wrap up • Review for final exam (5550 only) 	[continued if necessary]
16	tbd	Final exam at time scheduled by University	Final Exam Undergraduate Students