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**Time for your Non-profit's Annual Checkup?**

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The start of a new year is a great time for a checkup of your non-profit organization's practices and procedures for compliance issues, "best practices" and possible changes in the laws.

One of the most exciting developments for nonprofit and tax exempt organizations happened last July when the IRS announced the launch of an "EZ" application for organizations filing for 501(c)(3) status. There are requirements an organization must meet to use this application, but if it does, the process is significantly less expensive and cumbersome than the traditional IRS Form 1023. The clients we have walked through the EZ process have had great results.

Does your organization utilize music during the holidays or special events? Perhaps you play music in your offices. Most organizations do not realize the general rule requiring organizations to obtain a license prior to playing music in their establishment or at their special event. While there are exceptions pertaining to radio or TV, music in the public domain, eating establishments, and retail stores, many are surprised to learn there are no exceptions for nonprofit organizations. As a general rule, if you charge for an event or play music in a public place, your organization needs a music license. ASCAP and BMI are the two largest license providers for music in the U.S.

Putting on special events or even hosting fundraisers is another area where organizations often don't realize their potential for exposure to liability. Having the proper licenses in place – music licenses as mentioned above, or charitable gaming licenses in the event of raffles – is critical. However, equally important is insurance (liability) coverage for those events.

The start of the year is a great time to review your risk management policies. A review would look at issues of professional liability, especially crucial if your organization renders any professional services, and fiduciary liability. Minimizing fiduciary liability involves ensuring every position within the organization that deals with money is bonded. Similar to being properly bonded are issues of limiting liability from employee theft and fraud. The difference between the two? A bond protects others, for example, when an employee uses a donor's credit card for personal expenses, while employee theft and fraud coverage protects your organization if an employee were to use your organization's credit card for personal use.

We would be glad to assist with your organization's annual review, risk management analysis, or strategic vision planning for the new year and beyond.

Here's to your non-profit's health in 2015!