

Use Your Legal Expertise to Make a Difference

A New Law on Managing Nonprofit Finances

Help nonprofit clients with:

- » Application of Prudence Standard
- » Appropriation Questions
- » Board Resolutions
- » Creation of Endowment Funds
- » Expenditure Questions
- » Gift Agreements
- » Modification of Gift Restrictions
- » NYPMIFA Notices to Donors
- » Restricted Gift Analyses
- » Written Investment Policies

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Lawyers Alliance
for New York

Connecting lawyers, nonprofits, and communities

Nonprofit organizations that maintain “institutional funds,” including but *not* limited to endowment funds and other restricted gifts, are governed by the recently enacted New York Prudent Management of Institutional Funds Act (NYPMIFA). The new law replaces the obligation to preserve the “historic dollar value” of endowment gifts with a prudence standard and eight factors to be considered when appropriating from endowment funds. The new law also contains a prudence standard with specific factors for the investment and expenditure of institutional funds generally. Lawyers Alliance staff and pro bono attorneys help nonprofits comply with NYPMIFA and appropriate funds for their programs.

Do Good is a not-for-profit New York corporation that offers educational programs for children. Prior to the recession, it raised an endowment for scholarships, but the value of its investment holdings has fallen below the value of the original gifts. It is launching a new fundraising campaign to increase the size of its endowment. Pro bono attorneys from a major national law firm are advising Do Good on its endowment and helping it update its investment policy.

LAWYERS ALLIANCE AND ITS VOLUNTEER
ATTORNEYS HELP NONPROFITS IMPROVE
LIVES IN NEW YORK CITY

Lawyers Alliance is pleased to direct you to our website. Visit www.lawyersalliance.org.

Pro Bono Tip

Attorneys who regularly advise corporate clients on fiduciary responsibilities, expenditure decisions and the legal standards for those activities can develop valuable skills by assisting nonprofits and their boards with similar legal matters.

Web Tip

Lawyers Alliance provides a Library of resources for volunteer attorneys – including an outline on fundraising laws and regulations and a sample NYPMIFA notice – through the “Community Development and Nonprofit Law” practice area on Probono.net. This practice area is accessible at www.probono.net/ny/nonprofit or through our home page, www.lawyersalliance.org.



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