



BOUSQUET HOLSTEIN PLLC

Alert

Not-For-Profit Organizations Practice Group

First Major Overhaul to NY Nonprofits Laws in Over 40 Years – New York Nonprofit Revitalization Act of 2013

Syracuse, New York

July 2013

On July 1, 2014, most provisions of the recently passed New York Nonprofit Revitalization Act will take effect. The Act amends the laws that govern New York nonprofit corporations, requiring the nonprofits to enhance oversight and tighten governance measures.

Some of the most significant changes are:

Gross Revenue Threshold for Audit The gross revenue threshold of the requirement for an independent CPA's audit is raised from \$250,000 to \$500,000, and for an independent CPA's review from \$100,000 to \$250,000. The Attorney General will have the authority to request an independent CPA's audit for nonprofits with gross revenue over \$250,000.

E-Voting and E-Communication Facsimile and email can be used to send in votes at board and membership meetings, including ones that require unanimous written consent. Facsimile and email may also be used for board and membership meeting notices and waivers of notices.

Video Conference Board members can participate in meetings by video conference, so long as all persons participating in the meeting can hear each other at the same time and each retains his or her ability to propose, object to, and vote upon a specific action.

Self-Dealing Disclosure Boards and board committees must protect against self-dealing by independently reviewing the transactions between the nonprofit and any related parties. Any director, officer or key employee who has an interest in a related party transaction must disclose the material facts concerning such interest; if it is a substantial financial interest, the board must consider alternative transactions to the extent possible prior to entering into the transaction.

Conflict of Interest Policy All nonprofits must adopt a conflict of interest policy to lay out the procedures for the disclosure and resolution of a conflict of interest. If the nonprofit has 20 or more employees and annual revenue of over \$1 million, it must also adopt a whistleblower policy to protect employees from retaliation.

Please contact Christine Woodcock Dettor if you would like further information as to how your organization may be affected by these changes in the law.



Christine Woodcock Dettor, Esq.
315.701.6351
cdettor@bhlawpllc.com

Bousquet Holstein PLLC
110 West Fayette Street, Syracuse, NY 13202