

A Publication of Community Legal Resources

General Motors Corp., Jaffe Raitt Heuer & Weiss, P.C. honored for support of nonprofit missions

On November 1, 2001, Community Legal Resources held our Third Annual Recognition Event to honor outstanding contributions to the CLR program. This year's honorees included General Motors Corporation, our "Funder of the Year," and the law firm of Jaffe Raitt Heuer & Weiss, P.C., our "Law Firm of the Year." Staff, volunteers and clients gathered at the Caucus Club in downtown Detroit to recognize both organizations for their outstanding monetary and volunteer contributions to Community Legal Resources.

General Motors Corporation was recognized for its financial support, totaling \$10,000 over the past year, as well as for legal assistance rendered to Detroit nonprofits by volunteers from its legal department. Both contributions have helped CLR make a widespread impact on the organizations we assist, as well as the communities they serve. The award was accepted by Steve Cernak, an attorney with General Motors who has been an active volunteer with Community Legal Resources.

A long-time supporter of CLR's efforts, Jaffe Raitt Heuer & Weiss, P.C. was honored for both their on-going support and their new commitments to the nonprofit community. Over the past year, six attorneys from the firm have assisted eight nonprofits with a wide range of legal issues. In addition, Jaffe Raitt has become a participant in the Community Legal Resources Community Partnership Program. Volunteers from the firm will spend the next year providing legal assistance to American Indian Health & Family Services of Southeastern Michigan, Inc. Jeffrey Heuer, Managing Partner of the firm, accepted the award.



Jeffrey Heuer (second from left), Managing Partner of Jaffe Raitt Heuer & Weiss, accepts the Law Firm of the Year Award from CLR Board Chair Sally W. Schwartz (left). Also pictured are Jaffe Raitt lawyer Erika Butler-Akinoyemi and CLR Executive Director, Steve Tobocman.

A special thanks to generous sponsors of the November 1st Recognition Event:

- Michigan Capital Fund for Housing
- Michigan State Housing Development Authority
- Fannie Mae
- Farbman Group
- Fortune Personnel Consultants
- Local Initiative Support Corporation
- National City Bank

Mexicantown CDC makes an impact with volunteer lawyers from Barris Sott Denn & Driker, P.L.L.C.

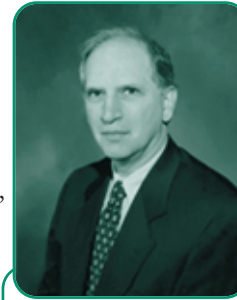


Since 1989, the Mexicantown Community Development Corporation has been working in its southwest Detroit community to promote economic development through a focus on the area's unique cultural assets. Home to most of Detroit's 75,000 Hispanic residents, the Mexicantown neighborhood boasts a lively restaurant district, dozens of new businesses serving a growing residential population, and a multi-cultural environment that is truly unique in southeast Michigan.

Mexicantown CDC's four staff work to increase both the demand for and supply of economic activity in Mexicantown. The group's public activities—such as the Día de Muertos celebration and summertime marketplace, or mercado—generate public interest in and visits to the neighborhood. Entrepreneurial skills training for local residents and facilitation of

real estate development in the neighborhood create jobs, income and needed services. In 2002, the CDC will break ground on the \$14 million "Mexicantown International Welcome Center and Mercado" and public plaza at the foot of the Ambassador Bridge. The Center will house a State of Michigan Welcome Center, retail shops, and space for a permanent marketplace and small business incubation.

In 2001, Dan Share and Geaneen Washington from the Detroit law firm of Barris, Sott, Denn & Driker, P.L.L.C. volunteered to help Mexicantown CDC with a number of its initiatives. The two attorneys researched and wrote briefs explaining local laws relating to street food vendors and public festivals, arming the CDC with facts it



Dan Share



Geaneen Washington

needs to properly conduct and promote its activities. Mexicantown's Vice President for Real Estate and Development, Margaret Garry, said the lawyers' work helped to clarify unclear policies in such a way that the non-profit now knows the right questions to ask in approaching the City Health Department and zoning board. The lawyers also prepared contracts the CDC can use when renting space to vendors at its summer mercados.

Community Legal Resources to educate and build capacity of nonprofits through Community Foundation grant

Since its founding, Community Legal Resources has provided assistance to more than 150 nonprofits, working with program staff and volunteer attorneys from throughout the Detroit area. Now, thanks in part to a \$22,000 grant from the Community Foundation for Southeastern Michigan, CLR will have new way to serve Detroit's nonprofit community. Through our direct education initiative, CLR will provide community organizations with educational materials and programs focusing on different legal topics affecting nonprofits.

"Since we began serving nonprofit community organizations, we have seen a number of recurring questions," explained Steve Tobocman, CLR's Executive Director. "We have seen legal problems which could have been avoided if community-based organiza-

tions had a foundation of key legal processes and concepts. And we have found that our client organizations are able to participate more fully in the lawyer-client relationship if they understand those same processes and concepts. Through our direct education initiative, we intend to make that basic knowledge available to Detroit's nonprofit community. Equipped with this knowledge, they can better serve their communities and take proactive steps to prevent legal problems."

Through the initiative, CLR will produce briefing sheets, articles, booklets and manuals covering a variety of legal subjects. In addition, trainings and workshops will give organizations the chance to interact with experts on selected topics. Whenever possible, we will coordinate with other direct education providers to cover legal and

non-legal aspects of a topic in one joint training, maximizing the benefit to nonprofits. The Community Foundation for Southeastern Michigan grant will be used to cover the costs of producing written materials and training programs.

Coordinating the initiative will be Mitzy Sharp Futro, who has received an Equal Justice Fellowship from the National Association for Public Interest Law (NAPIL) to work on the project. The two-year fellowship, which includes generous matching funds from Comerica Bank and the Michigan State Bar Foundation, was awarded to allow Mitzy to develop educational materials and programs which help increase the organizational capacity of Detroit's community-based organizations.

Are your funds restricted?

By Randolph S. Perry and Christina M. Torossian

Randolph Perry and Christina Torossian are attorneys with the law firm of Bodman, Longley & Dabbling, LLP in Detroit. In December 2001, Perry and Torossian volunteered to advise the Michigan Neighborhood Partnership on the use of restricted and unrestricted donations to fund the nonprofit's operations.

Community-based nonprofits spend a great deal of time on fundraising activities. Without a steady stream of income, it can be difficult or impossible for an organization to carry out its mission. As important as it is to raise money, however, it is just as important to be aware of any restrictions that come along with it.

Restricted funds can only be used for certain purposes, so it is important to understand from the beginning whether or not a donation is restricted. Whether a contribution is restricted depends on a number of things, including any agreement with the donor, the circumstances surrounding the contribution, and statutory law. All of these should be considered in determining whether or not particular funds are restricted.

Often, restricted funds are accompanied by some form of written agreement. The most obvious example is if both the donor and the nonprofit have signed a document explaining the restriction. An enforceable restriction may also exist if a donation is accompanied by a letter or other document stating that the funds are to be used for a certain purpose. If the nonprofit accepts the funds, they may be bound by the document's restrictions, even if they haven't signed anything. Under Michigan law, if a donor imposes a restriction on the use or investment of a gift in a written "gift instrument," the

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Our amazing volunteers

Since 1998, nonprofit organizations in Detroit and throughout Michigan have been fortunate to have benefited from the extraordinary volunteerism of **153** lawyers and pro bono coordinators from **26** law firms, corporate law departments and private practices. These lawyers have handled everything from basic corporate paperwork to IRS appeals and complex affordable housing transactions. Together, they have provided an estimated **\$800,000** in free legal services, saving nonprofits untold hours worth of time, enhancing productivity, and avoiding litigation. We thank them on behalf of the communities they impact, and also thank the many other attorneys and paralegals who assist clients and never make our 'official' list (by all means, let us know who you are!).

Jean-Vierre Adams	Martin Darvick	Vern Hampton	Barb Lister-Tait	Judy O'Neill	Todd Shoudy
Courtland Anderson	Warren Dean	Sook Han	Seth Lloyd	Duncan Ogilvie	Larry Shulman
Gus Andreasen	Christopher Dine	Rene Hansemann	Sharnique Lowery	Chris Olson	Arthur Siegal
David Antonelli	Valerie Dormady	Vicki Harding	Robin Luce	Lisa Panah	John Sier
Joel Applebaum	Art Dudley	Bob Heinrich	Michelle Lund	Doug Parker	Scott Small
Tim Batdorf	John Dudley	Jeff Heuer	Andrew Lusk	Alex Parrish	Michael Stewart
Bill Beach	Robert Epstein	Tony Ilardi	Tom Maier	David Paruch	Angela Sujek
Ilana Ben-Ze'ev	Heather Esau Zenger	Gordon Ing	Stewart Mandel	Randolph Perry	Jeff Supowit
Jim Bloom	Sherrie Farrell	Mark Jacobs	Leslie Martin	Mark Peters	Andrea Szymanski
Jonathan Borenstein	Cynthia Faulhaber	Anthony Jenkins	Karen McCoy	Ken Phillips	Andy Tavi
Deborah Boughman	Adam Fishkind	David Joswick	Joe McGill	Ted Phillips	William Thacker
Cynthia Brody	Stephanie Fishman	Don Katz	Karen Merkle	Darrell Pierce	Louis Theros
Amy Brooks	Jane Forbes	Joel Kellman	Michael Metz	Erik Prater	Tina Torossian
Bowden Brown	Fred Fromm	Brian Kelly	Todd Miller	Roshunda Price-Harper	Grant Trigger
Brian Brown	David Gaffin	Raymond Kethledge	Dan Minkus	Richard Rabbideau	Steve Tupper
Ian Burnstein	Joy Gaines	Doug Kilbourne	Jeanne Mirer	Kristan Richardson	Shelly Tyshka
Erika Butler-Akinyemi	Corinne Galusky	David Koelsch	Aleksandra Miziolek	Kurt Riedel	Amanda Van Dusen
Theresa Carroll	Jim Gehrke	Jeff Kopp	Kevin Moody	Lori Rogala	Geaneen Washington
Steve Cernak	David Geiss	Susan Kornfield	Scott Munzel	Steve Ross	Melanie West
John Chu	Rick Gianino	Jeff Kravitz	Rod Myers	Hideaki Sano	Marcus Williams
Kevin Cobb	Sarah Gidley	Liza Larky	Seymour Nayer	Nicholas Scavone	Sheldon Winkelman
Bill Cohen	Gary Glenn	Joanne Lax	Brian Negele	Paul Scheidemantel	Bill Winsten
Ciara Comerford	Kristen Goodman	Randy Layman	Iwona Niec	Amy Schluskel	Rachel Wisley
Larry Connor	Richard Gottlieb	Marguerite Lentz	Sally Noerr	Mark Schrupp	
Greg Cooksey	Ron Hall	Ron Lieberman	Tom Nowinski	Julie Schuetz	
Peggy Costello	Bill Hammond	Steve Liedel	Dan O'Connor	Dan Share	

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organization's board may only release the restriction if they have the written consent of the donor or if a court has granted a release of the restriction.

A common restriction on the use of a donor's gift is that the gift be used for endowment purposes. If dividend or interest income is generated by an endowment fund, a nonprofit can generally use that income for general operating purposes. Michigan law also allows a charitable organization to use any net capital appreciation in an endowment fund for general operating purposes. This is true unless the donor explicitly prohibits such use in writing.

A restriction may also be implied from the conversations and circumstances surrounding the solicitation and receipt of a contribution. For example, if solicitation materials state that funds raised at a fundraiser will be used for a new building, a donor could argue that the funds he or she contributed constituted restricted contributions that could be used only for the new building. One solution to avoiding unintended restrictions on contributions is to state, either on the invitation, admission ticket, solicitation letter, or other solicitation materials, that the funds raised will be used for the general support of the organization. *If you have additional questions about this issue, contact Community Legal Resources at (313) 964-4130.*

CLR Staff and Volunteers Recognized as Nonprofit Leaders

Congratulations and recognition of CLR staff and volunteers extends beyond our own recognition event. November 2001 saw the recognition of the efforts of our staff and volunteers at two separate events.

At their annual meeting, the Accounting Aid Society presented CLR Executive Director Steve Tobocman and several other nonprofit industry leaders with the "Jeanne Vogt Celebration of Leadership" award. The honor recognizes 'unsung heroes' of metro Detroit's nonprofit sector who represent the highest standards of excellence and community service and who have not received previous significant honors for their work.

At their 10th Annual Evening for Affordable Housing, the Michigan Housing Trust Fund named dozens of CLR clients, funders and consultants as Michigan's Affordable Housing Warriors. Among the awardees were our Executive Director (Steve Tobocman), three CLR Board members (Rochelle Lento, Marilyn Mullane and Rosa Sims), a former Board member (Vincent Tilford) and two volunteers (Warren Dean and Jane Morgan). CLR is honored to have such distinguished staff and volunteers

Community Legal Resources is a joint project of Michigan Legal Services and the Pro Bono Committee of the Business Law Section of the American Bar Association working in conjunction with the Michigan Litigation Assistance Partnership Program.

Our mission is to foster pro bono legal representation for unfulfilled legal needs of nonprofit community organizations in Michigan that serve low-income individuals and communities, with an emphasis on community economic development activities.

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Who we are...



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