

# NEW YORK ENACTS NEW LEGISLATION FOR NEW YORK NONPROFITS

**Author**  
Nina Krauthamer

**Tags**  
Nonprofit

New York's Governor Andrew Cuomo has signed the Nonprofit Revitalization Act of 2013 into law, effective July 1, 2014, making a number of key reforms to New York law that have long been sought by the charitable sector and legal practitioners. Nonprofit organizations will now be able to incorporate, dissolve and merge more easily; communicate and hold meetings using modern technology like Skype and videoconference; and effect various transactions without the need to seek Court approval. The new law has added new governance provisions to provide crucial oversight and governance reforms. Nonprofit boards will have to perform stricter oversight of insider deals, and the Attorney General will be better able to hold insiders accountable for abuse. The new law requires the adoption of more robust financial oversight requirements, conflict of interest policies, and, for certain charities, whistleblower policies to protect nonprofit employees from retaliation when they identify wrongdoing.

Nonprofits will need to review existing internal controls, by-laws, policies, and committee charters, if any, to ensure that the new law is correctly implemented. All nonprofits should implement a conflict of interest policy. Some organizations will need whistleblower policies as well. Corporate by-laws and charitable trust operating procedures must reflect the strengthened oversight requirements for audit oversight and related party transactions. Nonprofits should consider changes to their by-laws to reflect the favorable new rules, particularly those relating to electronic communications.

Ruchelman P.L.L.C. represents several New York charities and will be working with those charities over the next few months to ensure compliance with the new legislation.

