

Social Enterprise

The social enterprise movement, which began in earnest in the early 1980's, has evolved and expanded significantly in recent years. Whether defined as applying business- and market-based approaches to solving social problems, or pursuing earned revenue strategies to achieve a double- or triple- (financial, social, and sustainable) bottom line, innovators and entrepreneurs from both the business and nonprofit sectors are blurring the traditional lines between them, creating nonprofit, for-profit, and hybrid vehicles to house and grow their social enterprises, and challenging their legal advisors to use or change the existing legal framework to meet their needs. Meanwhile, many grant makers have become increasingly focused on identifying and funding social innovators and social entrepreneurs.

AREAS OF FOCUS

- › Identifying and implementing the most effective legal structures to suit the business plan for a new or expanding social enterprise, taking into account tax-exemption, unrelated business taxable income, asset protection, and other key legal issues.
- › The impact of new social enterprise activities on the tax and legal status of an established tax-exempt organization, whether those activities are conducted directly or through a subsidiary or other affiliate.
- › When and how best to use or combine a range of available and emerging entity forms, including for-profit and nonprofit corporations, LLCs, L3Cs, flexible purpose corporations, corporations formed to take advantage of state constituency statutes, and benefit corporations.
- › Legal issues affecting social enterprises which operate internationally.
- › The legal distinctions for tax-exempt investors among socially responsible investing, mission-related investments, and program-related investments in social enterprises.
- › Legal issues that affect institutions that invest in or otherwise facilitate the growth of social enterprises, whether through grantmaking, equity ownership, or loans.

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- › [Salesforce.org](https://www.salesforce.com)
- › [Hopelab](https://www.hopelab.com)
- › [Beneficent Technology, Inc.](https://www.beneficenttechnology.com)
- › [The Skoll Foundation](https://www.skollfoundation.org)

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