

Eighteen months into Brian Yacker's tenure as a tax associate at Ernst & Young, he was informed that he was being transferred from the corporate tax division to the nonprofit tax division.

move of Yacker's career. Ernst & Young "trained me up pretty well in the nonprofit area," Yacker says today with a laugh.

He quickly discovered that he absolutely loved working with nonprofits as opposed to for-profits. "At first, I didn't think it would be

One of a Kind



YH Advisors in Huntington Beach, Calif. is the nation's leading tax, law and accounting firm specializing in working with nonprofits and exempt organizations, perhaps the most underserved industry sector in the country.

"I don't want to do it," Yacker said. "Tough," Yacker was told. "You don't have a choice. Either transfer or say goodbye."

Well, that transfer turned out to be the greatest

intellectually challenging enough for me, but I soon discovered that it was actually *far more* intellectually challenging than I ever imagined because you always have to ensure the non-



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profit organization is not doing anything to jeopardize its tax exempt status.”

That being said, Yacker established YH Advisors in 2011, in Huntington Beach, California, to exclusively work with exempt organizations in the tax compliance, law and accounting disciplines.

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“We do tax filings that the typical CPA shies away from because they just don’t have enough understanding or real-world experience to complete a Form 990 (the annual tax return which exempt organizations must file with the Internal Revenue Service) competently,” says Yacker, who is not only an attorney but also a CPA to boot.

There are many reasons Yacker and his fellow Partner, Stacey Bergman, wholly embrace the nonprofit sector, other than it being intellectually challenging.

“We love working with people and organizations who are wildly passionate about their cause and mission,” Bergman says.

Some of those “causes” include rescuing abandoned animals, fighting for the rights of veterans, protecting the environment, advancing the arts, operating a school or a hospital, advocating for children’s rights, operating a youth sports league and conducting religious services at a house of worship.

From Bergman’s perspective, she shares the same vision as Yacker in regards to working with nonprofits.

At a prior firm, “I was on the audit side and there was a line drawn in the sand between the audit and tax departments – neither side communicated,” she says. “Like Brian, I disagreed

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with the way they ran the practice. So here at YH Advisors, we ensure that we operate as one firm to provide our full range of services to all different types of exempt organizations.”

“It’s amazing to work with the people who form and run nonprofits,” she adds. “It’s the opposite of working with business owners whose primary objective is focusing upon increasing profits.

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YH Advisors’ expertise and wide range of essential services is clearly a huge benefit to nonprofits, particularly since many nonprofits are run by volunteers who do not know what they need to know in terms of operating a nonprofit.

“The No. 1 area of transgressions in the nonprofit world are transactions undertaken by the exempt organization with Board members and key executives,” Yacker says.

For instance, reimbursing the personal expenses of Board members: “At one nonprofit, a Board member flew to New York for foundation business. They happened to take their spouse along. The foundation wound up paying for the airfare, lodging and meals for both. That’s an insider transaction that is illegal assuming the spouse was not traveling for foundation purposes,” Yacker says.

The consequences for typical nonprofit trans-

gressions can be harsh. For instance:

- The IRS can levy penalties of up to \$100 per day for a late filed tax return (Form 990);
- There could be increased attention and scrutiny from media outlets and charity watchdogs regarding compensation, governance and insider transactions;
- Transgressions can lead to the loss of contributions, grants or awards;
- There can be increased risk of attention from the IRS, state taxing authority or the state Attorney General;
- Worst of all, it’s possible a nonprofit can lose its tax-exempt status altogether.

“Nonprofits think they’re doing the right thing nearly all of the time, but they just don’t know,” Yacker says. “That’s exactly why they need someone like us to monitor every element of their operations when it comes to tax compliance, accounting and legal issues.”

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