

CREATING A NON-PROFIT CORPORATION

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INTRODUCTION

This book is one of a series of legal books that has been written to address the needs of the average person. Each volume of the series is designed with the intent of serving as a guide and tool with which to help the reader cut through legal jargon and better understand and appreciate the reader's rights under the law. As a self-help "HOW TO" book for forming a typical non-profit corporation, this work covers the basic problems are to be faced by individuals attempting to form a non-profit corporation. It covers, in detail, the steps and procedures necessary to be taken in order to get a federal and state tax exemption for the corporation.

This book covers the initial set up of the incorporation and the actions thereafter. Incorporation is basically easy if taken in an orderly approach and nothing fancy is sought to be done. The steps are outlined in the order that they should be considered and acted upon. If the reader has any doubts upon how something should be done, an attorney should be consulted on that issue. Even with a consultation with an attorney, it should still be cheaper for the reader to incorporation himself. Normally, an attorney is paid between \$500.00 to \$2,000.00 to do a normal incorporation. Therefore, if needed, a person can consult with an attorney while doing the work himself and still save money. In fact, many questions that a person may have over the procedure of incorporation can be answered with a simple phone call to the State's Department of Corporation or Securities.

It may seem overwhelming or intimidating to incorporate a non-profit corporation without going to an attorney but it should not be so. It does take time to prepare the documents and make the various decisions for the corporation such as management, fiscal year and purpose. However, the book lays out and explains in detail the steps to be followed. Also the book contains sample Articles, Minutes, By-Laws, and Membership Certificates for most states. These items could be used in most states should the incorporator choose not to purchase a corporate kit for the state in question, which usually runs about \$50.00.

A corporation exists when the Articles of Incorporation are filed and the membership certificates issued. So the basic steps needed to incorporate are filing of the Articles of Incorporation and then issuance of the membership certificates. When those steps are accomplished, the incorporation is complete. By carefully using this book, those steps can easily be taken.

GOOD LUCK

CHAPTER ONE

COMMONLY ASKED QUESTIONS

There are primarily three ways that people can carry on any non-profit activity. People can work together in an unincorporated association, a non-profit trust or a non-profit corporation. There are different tax considerations and legal consequences involved in each form of operation.

The main advantage that a non-profit corporation has a non-profit trust or association is that the member is not personally liable for the debts of the corporation or the actions of the employees. In an unincorporated association, if an associate or employee does an act in scope of their employment that injures another person, then each of the members of the association may, depending on state law, become personally liable to pay for the resulting damages. A non-profit trust can be created in all states. Such a trust, however, carries with it its own special limitations on management and generally too cumbersome for use by a small group. In addition, there is still the question of personal liability of the directors or trustees of a non-profit trust for the actions undertaken by employees or other directors or trustees. The risk of personal liability for belonging to an unincorporated association, especially if an officer or director, and the complicated management of non-profit trust are prime reasons for incorporating as a non-profit corporation.

After a non-profit corporation is formed, the yearly requirements for meetings and record keeping are not much more than required for any other non-corporate business. I have answered all of the general questions usually asked by a person considering incorporation. It might take longer to read this chapter than it would to actually incorporate. Incorporation is easy and I often refer to it as a one time insurance policy because it terminates personal liability against the shareholders.

1. WHAT IS A CORPORATION?

A corporation is an artificially created entity in conformity with a particular state's law. As a distinct legal entity, a corporation is considered to be separate and apart from all of the people who own, control or operate it.

A corporation holds most of the rights of a legal person. As such, a corporation is capable of validly executing contracts, incurring debts, holding title to both real and personal property and paying taxes.

The attractiveness of corporations stems from the very fact that they are held to be separate legal entities from its owners, the shareholders, which gives them unique advantages over both sole proprietorships and partnerships.

2. WHAT IS A NON-PROFIT CORPORATION?

A special type of corporation is a non-profit corporation. The primarily purpose of such a corporation is not to make money but instead to provide some type of beneficial service to the public, hence the name, nonprofit. The non-profit corporation is formed by one or more persons for the benefit of the public, the mutual

benefit of its members or for religious purposes. Most non-profit corporations are formed for religious, charitable, literary, scientific or educational purposes.

Stock is not issued in a non-profit corporation nor are profits from the corporation, if any, distributed to the members. Most non-profit corporations are required by state law to transfer their assets to another non-profit corporation upon dissolution of the corporation or to give the assets to the State. A non-profit corporation is usually organized to obtain an exemption from state or federal taxes on its operations. A non-profit corporation is not automatically exempt from federal taxation. A non-profit corporation must file an application with the I.R.S. for tax exempt status and have the application approved.

Except for the profit motive, a non-profit corporation operates the same as any other corporation. While stock is not issued in a non-profit corporation, memberships can be issued. Nonprofit corporations can sue in court, acquire property and do anything not inconsistent with its stated non-profit status.

3. WHAT ARE CORPORATE POWERS?

Corporate power is the authority given to the corporation to conduct its business. Such corporate authority is granted by both the statutory law in the states where the corporation was formed along with specific grants of authority to the corporation in its Articles of Incorporation.

The Articles of Incorporation for a corporation must state the purpose for which it was incorporated. For a non-profit

corporation, the Articles it must state what religious, charitable, literary, scientific or educational purpose it hopes to accomplish. The Articles for a for-profit corporation usually state that it is being incorporated to conduct any legal business in the state.

Under most state laws, a corporation is given certain powers in order to operate:

1. the right to adopt and use a corporate seal;
2. to adopt, amend and repeal By-laws;
3. to do business in other states;
4. issue and trade in its own stock pursuant to state law;
5. make donations to non-profit organizations;
6. operate pension plans for employees;
7. make loans to shareholders, directors and employees;
8. participate in joint ventures with other persons, and trusts and corporations.

With the above powers, a corporation is able to act and do nearly everything that an individual or partnership can do.

4. WHO IS AN INCORPORATOR?

An incorporator is the person who signed and filed the Articles of Incorporation with the Secretary of State. It is the filing of the Articles that is the first and most important step in forming a corporation.

Incorporators are the founders of a corporation. Incorporators adopt the initial by-laws for the corporation and appoint the first set of directors. After the directors are appointed, the incorporators resign and turn the management of the corporation over to them.

Incorporators, along with other persons, can also be promoters of the corporation. Promoters make the initial

arrangements for the money, property, and whatever else is needed to establish the corporation. A corporation is not liable for any pre-formation contract executed by any promoter unless the contract is later ratified by the board of directors or the benefit of the contract is accepted by the corporation. However, the promoter may be personally liable for any pre-incorporation contract that he executes unless it is spelled out that the contract is only to become effective when the corporation is actually formed and the contract is ratified by the corporate board of directors. Usually, there is not a problem with pre-formation contracts because the incorporator is also the main or sole shareholder of the corporation and thus controls the corporation.

Articles of Incorporation that can be used in the individual states are set forth in the CHAPTER ARTICLES.

5. WHO ARE DIRECTORS?

Directors are people elected by the members of a non-profit corporation to manage the corporation. The board of directors is the term referring to all of the directors. Directors are not required to be members of the corporation although they usually are members in the non-profit corporation.

Decisions concerning the management of the corporation are made by a majority vote of the directors. The board of directors appoint the officers of the corporation who run the day to day business of the corporation. The officers implement the wider plans and future visions of the board.

Directors are permitted reasonable compensation for their services. In small corporations, the directors usually serve for free since they are usually shareholders and are protecting their investments.

6. WHAT DUTIES ARE OWED BY A DIRECTOR TO A CORPORATION?

A director owes to a corporation a duty of loyalty. A director can not usurp a corporate benefit, that is take for himself a benefit that could go to the corporation. In short, a director owes to the corporation the right of first refusal on any business opportunities that the director becomes aware that could affect the corporation. For example, if the corporation is in the paving business, a director could not form a competing paving business and solicit business from the corporation's existing clients.

When a director has a personal interest on a matter before the board, the director is only allowed to vote on it if:

1. the director's interest has been fully disclosed to the board, and
2. the contract is just and reasonable.

A director is not personally liable for the debts of the corporation. A director can not be sued, by shareholders, for losses incurred as a result of the director's actions or decisions provided that they were undertaken in a reasonable and prudent manner.

7. WHO ARE OFFICERS?

The officers are the persons appointed by the board of directors to carry out the corporation's day to day business. The exact responsibility and authority of each officer is set out in

the By-laws as adopted by the incorporator and as amended by the board of directors.

Normally, the corporate slate of officers consists of the president or chief executive officer, the vice president, treasurer and secretary. The officers do not have the authority to engage in major business transactions since these are entirely within the province of the board of directors.

As agents of the corporation, officers have the authority to bind the corporation by their actions. As such, the officers execute contracts for the corporation and likewise can subject the corporation to liability for damages arising from their negligent or intentional acts committed on the corporation's behalf.

As with directors, corporate officers are not personally liable for the debts of the corporation. Corporate officers remain, as individuals, personally liable for any torts, civil wrongs, that they commit. For example, if the President of the corporation gets involved in an auto accident while traveling on corporate business both the president and the corporation can be sued for damages. On the other hand if the President signs a contract for the corporation, then only the corporation can be sued for any breach of the contract.

8. WHO ARE MEMBERS?

Members are not the owners of the corporation. Members own membership certificates in the corporation and thus have the right to vote in the election of corporate directors. Members are not personally liable for the debts of the corporation.

Members, in addition to electing the directors, also are

required to vote for the following acts:

1. any amendment of the Articles of Incorporation;
2. any sale, option or lease of substantially all of the corporation's assets,
3. any merger or consolidation of the corporation with another corporation.

In addition to the above, members can unilaterally hold a meeting to:

1. amend the by-laws,
2. remove and replace directors, and
3. dissolve the corporation.

There must be an annual member's meeting each year in order for the shareholders to review and approve or reject the actions of the board of directors for the previous year. The members also will re-elect or replace the directors for another year.

Members are given just one vote per member. A member can own only one membership certificate. A majority of those members voting is needed to carry the resolution, the matter voted upon.

9. WHAT IS MEANT BY THE LIMITED LIABILITY OF A CORPORATION?

The main advantage of a corporation, be it a profit or non-profit corporation, is the limited liability that it provides its shareholders or members. As a corporation, the most that its members, can lose in a lawsuit against the corporation is the assets that they contributed to the corporation.

This limited liability for corporate shareholders is vastly different from an unincorporated association where the associates may be found to be totally liable for all debts of the association.

In such an instance, the creditors of the association can seek and attach every dollar and piece of property that each associate owns in order to settle a judgment against the association. Such personal attachment to satisfy corporate debts can not be done against the assets of a member.

It is to cut off this unlimited liability that non-profit corporations are formed so as to pursue charitable or public purpose goals. Few people would ever participate in an organization for the public good, if by doing so, they risked losing everything that they have earned or will earn in the future.

10. HOW ARE CORPORATE PROFITS TAXED?

A non-profit corporation will not be subject for taxes on its income derived from its normal activities, if it applies and receives a federal and state tax exemption. Chapter 8, Tax Exemptions, covers in detail how a tax exemption is obtained. A non-profit corporation will only have to pay taxes on its unrelated business income. Under the Internal Revenue Code, unrelated business income is that income derived by a non-profit corporation which has not connection with and thus is unrelated to purposes for which the tax exemption was granted. All unrelated business income is taxed under regular corporate tax rules and regular corporate tax rates apply to that unrelated business income.

11. HOW LONG DOES A CORPORATION LAST?

A corporation is normally said to have perpetual existence. In other words, a corporation will legally exist forever unless it is

dissolved or terminated under state law. The fact that a non-profit corporation continues onward regardless of the death of its members, is what gives the corporation its stability. Most people are reluctant to participate in or deal with a charitable or public service entity which is not a corporation and thus may terminate upon the sudden death of any member. The stability of a corporation derives from its continuity of existence beyond that of its shareholders.

12. WHAT IS THE COST FORMING A NON-PROFIT CORPORATION?

Costs for incorporating a non-profit corporation vary somewhat from state to state. In California, the costs for filing the Articles of Incorporation and the minimum franchise tax fee is about a \$115 (There is also an \$800 franchise tax fee which is refunded upon the corporation receiving a California State Tax Exemption). In Nevada, the fee is just \$25 plus another \$10 for the statement of Registered Agent. In addition, the corporate books, which include the minute books, membership book and the corporate seal, costs between \$75.00 to \$125.00. The attorney fees, if one is used, is normally around \$800.00 to \$1,000.00 in California.

The cost for applying for the Federal Tax exemption is \$375. Most states will automatically grant a state tax exemption once the Federal Tax Exemption is obtained.

The cost of incorporation should be looked upon as a one time insurance premium. Once the non-profit corporation, the members are protected from individual liability from then forward for the

actions of corporation or its employees. Peace of mind is an important consideration in addition to cost when deciding to incorporate.

13. HOW LARGE A SALARY CAN A CORPORATION PAY A MEMBER?

It is legal for a corporation to hire a member. The reasonable salary paid to a member, for the value of work actually performed is deductible by the corporation as normal salary and is not considered as illegal self-dealing.

In a non-profit corporation, the members are not permitted to share in the profits of the corporation. This is the fundamental difference between a non-profit corporation and a for profit corporation. If the I.R.S. were to find that a member was paid excessively for the work that was actually done then the corporation could lose its tax-exempt status.

14. WHAT ARE THE TAX DIFFERENCES BETWEEN AN ASSOCIATION AND A NON-PROFIT CORPORATION?

An association is an unincorporated group of individuals or entities which usually engage in non-profit activities. An association, because it is not incorporated will not be given tax-exempt status under the law. As such, the association will be taxed on the income that it derives using corporate tax rates. The association is taxed as corporate tax rates even though it is accomplishing goals and purposes that would entitle it to a tax exemption if it were a non-profit corporation. Associates of an association may also become personally liable for the debts and

obligations incurred by the association under state law. Many states consider association the same as partnerships and thus apply partnership liability rules. Because of its informal nature, an association does not have to keep minutes, hold regular meetings or comply with the requirements which a corporation must meet.

A non-profit corporation protects its members from liability for the debts and obligations of the corporation. A non-profit corporation can also apply for a federal state tax exemption for income derived from activities that qualify for tax exemption. A non-profit corporation is required to keep minutes, hold annual meetings of members and directors and keep complete records.

15. WHAT ARE MEMBERSHIP CERTIFICATES?

Membership certificates can not be thought of as the ownership interests in a non-profit corporation. Members of the non-profit corporation are given membership certificates to reflect their membership. Members do not own the non-profit corporation and have no right to share in the profits of the corporation. By the virtue of their being members and owning a membership certificate, the members can vote on the management of the non-profit corporation pursuant to the terms of the By-Laws.

16. WHAT IS DISSOLUTION OF A NON-PROFIT CORPORATION?

Dissolution of a corporation is the termination of the corporation and is, in fact, its legal death. Dissolution usually occurs upon any of the following:

1. the members holding more than 50% of the membership certificates in the corporation vote to do so;

2. the board of directors can dissolve the corporation when
 - (a) the corporation never issued any membership certificates and thus was never really a corporation,
 - (b) the corporation has filed a chapter 7 bankruptcy petition,
 - (c) the corporation has disposed of all of its assets and hasn't conducted business for several years, usually five years.
3. creditors may file a legal action seeking involuntary dissolution of the corporation in order to have their debts paid through the liquidation of the corporate assets.

After dissolution has been approved or ordered, the corporation must stop doing business except to the extent necessary to wind up the affairs of the corporation. When resolution to dissolve is adopted or ordered, the corporation is required to file a certificate of dissolution with the secretary of state where it was incorporated.

17. HOW ARE THE PROCEEDS FROM A DISSOLUTION DISTRIBUTED?

After a corporation has been dissolved and its assets liquidated, the distribution is made to the extent of corporate assets as follows:

1. all federal and state taxes are paid,
2. all employee wages and benefits are paid,
3. all secured liabilities are paid,
4. all unsecured liabilities are paid,
5. the remaining funds, if any, are distributed to another tax exempt entity.

Since members in a non-profit corporation do not share in the profits of the corporation, upon dissolution the assets of the non-

profit corporation must be turned over to another tax-exempt entity. Such assets can be turned over to the United States Government if no other state or local tax exempt entity wants them.

18. WHAT IS A CORPORATE KIT?

Many companies sell the start up materials, called a corporate kit, for a newly incorporated non-profit corporation. The incorporator contacts such a company and requests the standard corporate kit for the state in question, say Kansas. The incorporator gives the company the name of the corporation, its date of incorporation and the number of shares of stock to be issued. The supplier takes this information and prepares the corporate kit. The complete corporate kit includes:

1. the corporate seal with the name, state and date of incorporation on it,
2. the corporate minute book,
3. the corporate membership book,
4. blank membership certificates in the corporation's name,
5. minutes for the first meeting of directors with spaces to be filled in,
6. general by-laws to be adopted by the incorporator, and
7. the form to be filed with the secretary of state for the state's tax exemption.

A corporate kit generally costs between \$50.00 and \$75.00 and is quite a bargain for the degree of work contained in it and the peace of mind obtained in using it.

18. WHAT ARE BY-LAWS?

By-laws are the rules for the general day to day management and operation of the corporation. The by-laws are adopted by the

incorporator and thereafter can be amended by a majority vote of the members.

By-laws are an attempt to cover the many areas of potential conflict within a corporation and the delegation of duties and responsibilities. A copy of By-laws for use in most states follows in the BY-Laws chapter. By-laws can be general in nature or more closely tailored to the needs and desires of the members. Most By-laws will contain or mention most of the issues covered in the By-laws Chapter.

By-laws are not set in concrete. Members can alter or amend the By-laws by simply having a properly conducted meeting to do so. The purpose of By-laws is to set up the procedure for the daily administration and management of the corporation. As such, it is understood that as the corporation grows and develops the Bylaws may have to be amended to keep pace with the new requirements of the corporation.

19. WHAT IS THE FIRST MEETING OF DIRECTORS?

The First Meeting of Directors is the first time that a corporation really and truly exists. After the Articles of Incorporation are filed, a corporation technically exists on paper. It does not exist in fact until membership certificates are issued along with the appointment of officers and directors to act for the corporation.

The incorporator calls the first meeting of directors. At the meeting, the incorporator appoints the first set of directors,

adopts the By-laws and then resigns as incorporator. The By-laws adopted by the incorporator require that written notice be given to the directors of a meeting before any action can be undertaken. The notice requirement to directors for a meeting is contained all By-laws. For the First Meeting of Directors to continue, the directors sign a waiver of notice agreeing to waive the required written notice and to proceed forward with the meeting. Following the Minutes Chapter is a waiver of notice of a corporation for its First Meeting of Directors.

After the waiver is signed, the directors then take over the meeting. The directors propose, consider and then adopt resolutions on such diverse matters as the tax year, opening a bank account, choosing a membership certificate and adopting the corporate seal. The directors then elect the officers of the corporation. Finally and most importantly, the directors issue membership certificates to the members. When the membership certificates are issued, the incorporation is complete.

20. WHAT IS AN ANNUAL STATEMENT OF OFFICERS?

Virtually every state requires a nonprofit corporation incorporated under its laws to annually file with the Secretary of State a list of its officers and directors. Most importantly the corporation is required to name the person appointed to receive personal service of documents for the corporation in the state.

Also, and perhaps most important in the state's view, is the fact that this list of officers and directors must be accompanied

by a fee usually between \$5.00 and \$50.00. This list of officers and directors is open to the public. Anyone wishing to sue a corporation can request a copy from the Secretary of State to determine the name and address of the agent for service of process.

21. MUST A CORPORATION FILE A FICTITIOUS NAME STATEMENT?

All states require that if any corporation does business under a name other than the exact corporate name in its Articles of Incorporation, then the corporation must file a fictitious business name statement. The purpose behind requiring the filing of a fictitious name statement is to give notice to the world as to who actually is running the business. Usually the filing is in the county clerk's office where the business is being conducted under the fictitious name. If the corporation does business under a fictitious name in several counties then the filing must be in every county where it does business.

22. WHAT IS A FEDERAL IDENTIFICATION NUMBER?

Any employer is familiar with the Federal Identification Number since all employers are required to have one. Once a non-profit corporation is incorporated, the corporation needs a number because the corporation becomes an employer.

A Federal I.D. number is obtained by filing Form SS-4 with the I.R.S.. The corporation should file for the I.D. number as soon as possible after the Articles are filed. If the corporation wishes to receive a federal tax exemption, then the Form SS-4 must be filed with the application for tax exemption if it was not filed earlier.

23. MUST EMPLOYEES FILL OUT NEW WITHHOLDING CERTIFICATES?

After a non-profit corporation is formed, all employees are required to fill out new W-4 forms, Employee's Withholding Exemption Certificate. Everyone, including the corporations' members, who receive compensation for work is an employee and required to fill out the W-4 form.

24. MUST THE CORPORATION WITHHOLD PAYROLL TAXES?

As an employer, the non-profit corporation must withhold federal income taxes and social security taxes along with all mandated state withholding from the salaries of employees. These taxes are withheld and reported on a calendar year basis regardless of the tax year of the corporation. The corporate tax returns for the tax withholding and the deposits are submitted on a quarterly or more frequent basis. The withholding is based upon the employee's wage level, marital status and the number of allowances claimed on the W-4 Form.

25. ARE DIRECTORS CONSIDERED EMPLOYEES?

Directors are usually not considered employees. However if the directors of the company receive compensation for work rendered as an officer of the corporation rather than as a director, then they are considered employees by virtue of their status as officers not because they are directors.

Many directors are "outside directors" meaning they are outside the normal management of the corporation (not an officer or employee of the corporation. Outside directors are only paid for attending the board meetings and there is no withholding on the payments. Other directors, who are salaried employees or receive as

compensation for services in addition to that of the a director, are employees and withholding must occur for the non-director compensation.

26. WHAT IS A TAX YEAR?

A tax year is the year period of time for which a corporation calculates its taxability. A tax year does not have to be a calendar year. Many tax years are fiscal years running from July 1 to June 31 or October 1 to September 30.

Usually, there is no benefit for a non-profit corporation to choose a tax year other than a calendar year. Such a benefit, however, may arise if the corporation has a large amount of unrelated business income which may be benefitted using something other than a calendar year as the corporation's tax year.

27. WHAT IS THE ANNUAL WAGE AND TAX STATEMENT?

A corporation, regardless of whether it is for profit or non-profit, is required to furnish an Annual Wage and Tax Statement (Form W-2) to each employee prior to January 31 of each year for the previous calendar year.

The W-2 must show the total wages paid and the amounts deducted for income and social security taxes. The corporation must submit the original of each employee's previous W-2 and the annual Transmittal of Income and Tax Statement (W-3) to the Social Security Administration by the last day of February for the previous calendar year. For example, the Form W-3 for 1992 must be filed by the February 28, 1993.

28. WHAT IS FEDERAL UNEMPLOYMENT TAX?

Another tax that a non-profit corporation may be required to

pay is the Federal Unemployment Tax (FUTA) if:

1. the corporation paid wages over \$1,500 during any calendar quarter, or
2. had one or more employees at least one day of 20 weeks. The weeks do not have to be consecutive.

FUTA taxes are paid entirely by the corporation. There is no withholding from the employee's wages. The corporation receives a credit for any state employment taxes that it pays or for having been given a favorable experience rating by the state.

Just as with withholding taxes, the corporation must deposit the tax with an authorized commercial and federal reserve bank within one month of the close of the quarter.

29. WHAT IS THE CORPORATION'S TAX RETURN?

A non-profit corporation, which has obtained a federal tax exemption, must file an annual return 990 on or before the 15th day of the fifth month following the close of the tax year. The return is basically an information return since the corporation will not have to pay any federal income taxes on its income which was derived from its exempt activities. If the corporation has unrelated business income, it must also file Form 990-T Exempt Organization Business Income Tax Return.

The corporate tax return covers the tax year adopted by the corporation in its First meeting of Directors. The corporation's accounting records must correspond to the chosen tax year. The first tax return may be for a short tax year, a tax year less than a full twelve months. For example, if a calendar year is chosen for the tax year but the corporation was formed in May then the first

tax year will be only eight months long (May through December).

30. ARE EMPLOYEES OR OFFICERS PERSONALLY LIABLE FOR THE PAYMENT
OF TAXES?

There is a bizarre provision in the Internal Revenue Code that make the person who writes the checks for a corporation personally responsible for payment of the corporation's taxes. Extending liability to mere check writers can have terrible consequences. Many unsuspecting secretaries and other employees, who were not even shareholders, have found themselves sued by the IRS because their employer failed to pay its taxes or make proper withholding payments. Since the employee had a degree of responsibility for writing checks, even though under the careful scrutiny of the employer, the employee could find himself sued by the IRS for the corporate payroll taxes.

One very bad case was reported in a television documentary involving I.R.S. abuses. The employee after discovering that the employer was not making required tax payments, reported the employer to the IRS and quit the job. The IRS failed to seek collection of the back taxes from the employer who several years later went out of business. When the IRS realized because of its delay it could not recover that taxes from the employer, it then sued the employee who reported the matter to the IRS. The conduct of the I.R.S. was outrageous but interviews with the I.R.S. showed no remorse or consideration for the innocent employee.

31. MUST A NON-PROFIT CORPORATION PAY STATE TAXES?

Unless a non-profit corporation does business in a tax which does not have income taxes or has a state tax exemption for that

state, it will have to pay state corporate taxes. As a practical manner, once a corporation obtains a federal tax exemption, most states automatically will grant the non-profit corporation the state tax exemption. It is possible to have a state tax exemption and not a federal tax exemption. In other words, it is possible for a non-profit corporation not to have to pay state taxes but, nonetheless, be required to pay federal taxes.

32. IS THERE A RESTRICTION ON LOBBYING EXPENSES?

Many nonprofit corporations deal in areas of interest to the public, as part of their operation they employ lobbyists to represent their interests before legislative bodies.

Prior to 1993, nonprofit corporations could deduct their lobbying expenses from their taxes. In 1993, Congress established a new tax for nonprofit organizations other than charities. The tax includes professional associations, trade associations, advocacy groups, labor unions and other not-for profit organizations.

The law requires that either the nonprofit organization pay a flat 35% tax rate on the lobbying expenses or have the organization's members pay the tax directly to the government. If the second option is chosen, all of the tax liability is passed on to the members even if some of the lobbying was funded with other income besides dues.

This law was upheld by the United States Supreme Court on May 15, 2000 in the case **AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES vs. U.S .**

CHAPTER 2

STEPS FOR INCORPORATION

I. INTRODUCTION

There is no mystery or difficulty in forming a nonprofit corporation. In its simplest sense, a corporation of any type is merely a license to do business in a particular manner. In that sense the articles of incorporation should be considered an application that becomes the license when filed by the secretary of state. In fact in legal parlance a corporation is considered as having been "licensed to do business" once the articles are filed. In a few states the term "articles of incorporation" is not used but instead it is entitled a "certificate of incorporation" or a "charter of incorporation." In any event, whatever a state calls the formation document, they all require the same basic information.

The act of incorporating a nonprofit business is simple. All it entails is the filing of the articles of incorporation and the subsequent issuance of membership certificates. The actual act of incorporating is no more than having the articles file-stamped in the secretary of state's office (this can also be accomplished by mail). There are many companies that provide corporate kits which include basic articles, minutes and bylaws specifically designed for use in just one state. The usual cost is between \$50 and \$100. Unfortunately, the corporate kit does

not address the many issues or provide the information contained in this book for issues occurring after the incorporation. This book goes beyond and provides guidance and advice on considerations that arise in forming any corporation. The articles contained in this book are a starting point for any incorporation. Before filing any articles the reader should decide any additional provisions wanted in the articles. In addition, the reader should read those provisions in the state's corporation code (available in most public libraries) to ensure the state law has not changed. A reader of this book may purchase a corporate kit for a particular state to supplement this book.

This book is designed to provide the user with a detailed analysis of the problems, issues and procedures faced in the formation of any nonprofit corporation, particular by those of a small local nonprofit organization. There are many choices that an incorporator must face in forming a nonprofit corporation. Those choices can be difficult given the many options available and the particular concerns of each business. Neither this book nor any book can replace the cold, practical consideration of the actual person forming the corporation. That person knows the purpose behind the incorporation and how the corporation will be operated. This book will steer the incorporator to those provisions and issues of concern and their most practical use.

This book is intended to be used for the creation small or

local nonprofit corporations. It allows small groups of individuals to create a nonprofit corporation to accomplish local charitable, educational, community safety or ecological concerns with as little expense as possible. For purposes of this book, a large nonprofit corporation is one that has many chapters throughout a state or the country. While there is no difference in the formation of a large or small nonprofit corporation, the applications for federal and state tax exemptions are more complicated for the larger one. In addition, the bylaws are more complex to accommodate the concerns and rights of members from all the chapters.

This book is for use by those individuals who seek to incorporate a single nonprofit corporation which will not have chapters with as little expense as possible. Whether the reader actually employs the articles, minutes, bylaws, resolutions and agreements in this book is not as important as providing him with the information contained here so he can make informed decisions.

II. PROCEDURE

The steps for incorporating a nonprofit corporation are simple: file the articles of incorporation and issue the membership certificates. In arriving at this result, the corporation will go through the following steps:

A. CHOOSE A CORPORATE NAME

All corporations must have a name that denotes it is a corporation and not a partnership or sole-proprietorship. As

such, the name usually must contain the word "Incorporated," "Corporation" or "Limited." The name must not mislead the public into believing it is an agent of the federal or state government. The name of the corporation must not mention or suggest involvement in a regulated or licensed field unless the corporation has that license.

In practice the main concern is whether the proposed name is so similar to an existing corporation's name as to mislead the public. No state will permit two corporations to have the same name or names so similar that they are confusing.

To avoid the possibility of having the articles rejected because of similarity to the name of an existing corporation, the incorporator should conduct a name search with the secretary of state's office. If the name is not already reserved or in use, it can be reserved for a fee, usually \$3 to \$10, for 60 days or longer. The search can be done by mailing a request with the proposed name and a check for the search to the secretary of state. Telephone the secretary of state's office to determine the amount of the check and where to send it. A search through the secretary of state's office will take perhaps 30 days. There are attorney service firms near the state capitol that will do the name search and reservation within two days for about \$30. From these firms can also usually be purchased a corporate kit for use in the state, if desired.

If the corporation will be doing business in other states,

it must be aware that it may have to operate under a fictitious name if the corporate name is substantially similar to an existing business in any of those states.

A corporate name does not have to be reserved. If the incorporator feels the chosen name is unique, he can simply submit the articles for filing. If the corporate name is unique, the articles will be accepted. If a similar name has already been taken, the secretary of state will reject the articles. If it is discovered later that the articles were mistakenly filed and that a corporation with a similar name already existed, the secretary of state will require an amendment to be filed changing the name to one that is not similar to an existing corporation, or the secretary of state will cancel the incorporation.

B. PREPARING AND FILING ARTICLES

After the corporate name is reserved, the incorporator then prepares and files the articles of incorporation. This book contains a detailed chapter for preparing the articles. Each state has its own requirements for the contents of the articles. This book provides a general set of articles sufficient for most states. The reader should nonetheless familiarize himself with the particular corporation law of the state where the corporation will be formed.

The articles contained in this book are skeleton articles. They may be retyped with additional provisions added. Moreover, a particular state may require provisions added to the articles

to conform to changes in state law.

After the articles are prepared, they are filed with the secretary of state's office. Most states require the articles to be file in triplicate and all originally signed by the incorporator. Therefore, four or more copies should be filed so the corporation will receive a conformed, file-stamped copy. The filing can be made by mail; it will take 30 to 60 days for return. The alternative is to use an attorney service firm to file the articles. Such a firm usually takes only a week to get the articles returned and charges about \$50 for the service. The advantage of using an attorney service firm is that any necessary corrections can be made faster.

At the time that the articles are filed, the incorporator must pay the filing fee and the yearly franchise fee for the corporation. The fee for formation of a nonprofit corporation is much less than that of a profit-making corporation. In Nevada, for instance, the fee is only \$35 which includes \$10 for the resident agent form. Telephone the secretary of state's office to obtain the correct amount of the fees. An attorney service firm also will know the amount of fees.

C. ISSUANCE OF MEMBERSHIP CERTIFICATES

After the articles are filed, the corporation exists in a defacto mode. That means the corporation exists on paper only. Until membership certificates are issued it does not exist at law (de jure). It is the fact that the nonprofit corporation has

outstanding membership certificates in the hands of its members that is the defining characteristic of a nonprofit corporation.

Once the articles are filed, the incorporator calls a special meeting of directors. In most states, the initial directors are named in the articles. In other states, the incorporator appoints the first directors at the meeting.

At the first special meeting, the bylaws are adopted by the corporation. This is an important step because adoption of the bylaws creates the officer positions of the corporation and governs daily operations. The officers of the corporation are then appointed.

The most important matter of business at the first meeting of directors is the issuance of membership certificates. When the membership certificates are issued to those persons or entities which are to become the nonprofit corporations' members, the incorporation is complete. The chapter entitled "First Meeting of Directors" amply covers the first meeting.

D. AFTER FIRST MEETING OF DIRECTORS

After the first meeting of directors, the corporation is fully formed. The matters undertaken thereafter are general housekeeping chores. They deal with filing the respective state notices of tax exemption, filing or publishing the articles, filing a fictitious name statement if necessary, and establishing the proper accounting procedures. These matters are discussed in the chapter "Afterwards: Post Incorporation Acts."

CHAPTER THREE
ADVANTAGES OF INCORPORATING

Once people decide to get together to conduct nonprofit activities, the next consideration should be whether or not to incorporate. Almost always there will be some person who will feel that the organization is too small and its operations too personal to need incorporation. Such were the arguments that were presented to the Aviation Association of a small Nevada county shortly after it was formed. The significant advantages of incorporation as a nonprofit corporation were discussed. In the end it was approved to incorporate the association and seek a federal tax exemption.

A corporation is an artificial entity created in conformity with a particular state's law. As a distinct legal entity, a corporation is considered to be separate and apart from all of the people who own, control or operate it. A corporation holds most of the rights of a legal person. A corporation is able to execute contracts, incur debts, hold title to both real and personal property and pay taxes. The attractiveness of corporations stems from the very fact that they are held to be separate legal entities from the owners (the shareholders). This gives them unique advantages over both sole proprietorships and partnerships.

A nonprofit corporation is a special type of corporation with its own body of law. The primary purpose of such a corporation is

to provide some type of beneficial service to the public and not to make money, hence the name "nonprofit." A nonprofit corporation is formed by one or more persons for the benefit of the public, for the mutual benefit of its members or for religious objectives. Most nonprofit corporations are formed for religious, charitable, literary, scientific or educational purposes.

Stock is not issued in a nonprofit corporation, nor are any profits from the corporation distributed to the members. Most nonprofit corporations are required by state law to transfer their assets to another nonprofit corporation or give the assets to the state upon dissolution. A nonprofit corporation is usually organized to obtain an exemption from state or federal taxes on its operations. A nonprofit corporation is not automatically exempt from federal taxation. A nonprofit corporation must file an application with the IRS for tax exempt status and have the application approved.

The following arguments support of incorporation of any non-profit entity. These arguments apply to any group which is considering engaging in nonprofit activities.

I. LIMITED LIABILITY FOR ITS MEMBERS

The main advantage that a nonprofit corporation has over an unincorporated association is that a member is not personally liable for the debts of the corporation or the actions of the employees. In an unincorporated association, if an associate or employee does an act in the scope of employment that injures

another person, each member of the association may (depending on state law) become personally liable to pay for the resulting damages.

A few states apply the partnership liability rules to unincorporated associations. These states find that all members of an unincorporated association are liable for the payment of all debts of and all judgments against the association. In these states the liability is absolute, and it makes no difference whether the member agreed to the incurring of the debt or even knew about it. As long as the person was a member of the association, the member is responsible for payment of all debts and liabilities of the association.

Most states, however, do not apply the absolute partnership liability rule to an association. These states will find a member liable for the debts of or judgments against the association only if the member had consented to the action which resulted in the debt or judgment. This limitation of liability for an association is not as great a protection as it seems. The courts of these states have held that if a member consents to an action being taken by a fellow member or employee, that member is responsible for all damages resulting from that person's conduct in performing that action. This is known the theory of Respondeat Superior under the state's agency and partnership law. If a member agrees to the association pursuing a certain endeavor or course of conduct, that member will be personally liable for the debts incurred by the

association in that pursuit. The member will have to be on record opposing the conduct to avoid such liability. Corollary: A member who initially opposed the association's conduct will be found liable for resulting damages if he subsequently ratified the conduct by either word or deed.

The main advantage of a corporation, whether a profit or nonprofit corporation, over an association is the assured limited liability it provides its shareholders or members. As a corporation, the most that its members can lose in a lawsuit against the corporation is the assets they contributed to the corporation. This limited liability for corporate shareholders is vastly different from an unincorporated association where the associates may be found to be totally liable for all debts. The creditors of the association can seek and attach every dollar and piece of property that each associate owns to settle a judgment. Such personal attachment to satisfy corporate debts cannot be done against the assets of a member of a nonprofit corporation.

Few people would ever participate in an organization for the public good if they risked losing everything they had earned or will earn. At the meeting of the Aviation Association of Douglas County, the members were asked if they owned a house, a car, a plane, a pension plan or if they were employed. They were asked to look around the room, and they were told that under state law each one was personally liable for payment of any association debt or judgment which occurred from a act or policy to which he agreed.

They were reminded that they had not worked all of their adult life to become a benevolent insurance company for other people's actions. They were told that every state has enacted a nonprofit corporation law to permit people like themselves to get together and operate for charitable purposes without incurring personal liability. When all was considered, the Aviation Association voted unanimously to seek nonprofit corporate status. Even those persons who were initially opposed voted for the incorporation. Yet the other advantages of incorporating had not even been discussed.

It is the risk of personal liability by belonging to an unincorporated association (especially as an officer or director) that is the prime reason behind incorporating as a nonprofit corporation.

II. FEDERAL TAX EXEMPTION

The second advantage of incorporating is that a nonprofit corporation usually can qualify to receive federal and state tax exemptions that an unincorporated association usually cannot receive. A qualified nonprofit corporation which obtains federal and state tax exemptions will not have to pay any taxes on the income that is derived from its related business activities. By not having to pay taxes, the corporation will have 30% to 40% more in income to apply towards its exempt goals.

In addition, contributions to most tax-exempt nonprofit organizations are tax deductible: see section 501(c)(3) organizations for which this book is designed. This means that a

person or entity making contributions to such an organization will be permitted to deduct the value of the contribution on the donor income tax return. It is very beneficial for a nonprofit corporation to receive a 501(c)(3) tax exemption rather than an exemption under the other 501 (c) subsections. Once an organization receives a 501(c)(3) tax exemption, all contributions to it are tax deductible. Tax deductibility of contributions is a prime incentive for donors to make contributions to an organization.

A 501(c)(3) tax exemption is the most desired status. It is advantageous for a nonprofit organization to have a 501(c)(3) tax exemption because contributions to the organization are tax deductible by the donor. A contribution to a tax-exempt organization that is not tax deductible cannot be used to reduce the donor's federal income tax: the contribution is made in after-tax dollars. Most donors want the tax advantage of being able to include a portion of their contributions on their income tax return as a deduction. More money is contributed to an organization if the contributions are tax deductible.

Another advantage of receiving a federal tax exemption is that gifts made to the organization after the death of the donor are deducted dollar-for-dollar from the gross estate of the donor. Federal tax law requires that all estates over \$600,000 that pass to someone other than the donor's spouse be taxed on a progressive scale which reaches 55%. Gifts to a 501(c)(3) organization reduce

the gross estate of the donor for tax purposes.

III. FINANCIAL GRANTS AND DONATIONS

An advantage of nonprofit corporations over unincorporated associations is the availability of federal and state grants. Both federal and state governments have many agencies which will bestow grants to qualified nonprofit corporations. Such grants are not usually available to unincorporated associations. Information for state grants can be difficult to obtain unless the state publishes a list of such grants. If such a list is not published, information on state grants can be obtained from state legislators.

It is much easier to get information on federal grants. The U.S. Printing Office, Washington, D.C. publishes the Catalog of Federal Domestic Assistance which lists every federal agency which gives grants. These grants are almost always limited to nonprofit corporations or other governmental agencies. A few of the grants from federal programs for which a nonprofit corporation formed through the use of this book might be interested are:

DRUG ABUSE RESEARCH PROGRAM
PUBLIC HEALTH SERVICE
MS. MCKENNEY
DEPARTMENT OF HEALTH AND HUMAN SERVICES, EPS-216
BETHESDA, MD 20892
(301) 443-6021

Grants are given to develop new knowledge for the treatment and diagnosis of drug abuse and intravenous related AIDS. Annual funds available: \$191,205,000.

HUMAN GENOME RESEARCH PROGRAM
PUBLIC HEALTH SERVICE
DR. MARK GUYER
DEPARTMENT OF HEALTH AND HUMAN SERVICES, EPS-216
BETHESDA, MD 20892

GABRIEL-NONPROFIT CORPORATIONS-37

(301) 496-0844

Grants are given to develop new knowledge for DNA sequences of the genomes for humans for use in developing treatment for genetic diseases. Annual funds available: \$78,000,000.

CANCER CAUSE AND PREVENTION RESEARCH PROGRAM
NATIONAL CANCER INSTITUTE
NATIONAL INSTITUTES OF HEALTH
MR. LEO BUSHER, JR.
DEPARTMENT OF HEALTH AND HUMAN SERVICES, EPS-216
BETHESDA, MD 20892

(301) 496-7753

Grants are given to develop new knowledge for the treatment and diagnosis of cancer. Annual funds available: \$286,888,000.

Another related program is CANCER DETECTION AND DIAGNOSIS AND RESEARCH to help identify cancer early enough to use the latest treatments. Annual funds for this program: \$75,000,000.

RURAL HEALTH RESEARCH CENTERS PROGRAMS
OFFICE OF RURAL HEALTH POLICY
PUBLIC HEALTH SERVICE
DEPARTMENT OF HEALTH SERVICES
DR. TAYLOR
PARKLAWN BLDG, ROOM 14-22
5600 FISHERS LANE
ROCKVILLE, MD. 20857

(301) 443-0835

Grants to support the development of rural health research centers to provide an information base and a policy analysis on rural health issues. Annual funds available: \$1,800,000.

MENTAL HEALTH RESEARCH GRANTS PROGRAM
NATIONAL INSTITUTE OF HEALTH
PUBLIC HEALTH SERVICE
DEPARTMENT OF HEALTH SERVICES

MR. RINGLER
PARKLAWN BLDG, ROOM 7C-15
5600 FISHERS LANE
ROCKVILLE, MD. 20857

(301) 443-3065

Grants to support research into and to improve treatment methods of mental illness and behavioral disorders. Annual funds available: \$257,000,000.

BIOLOGICAL RESPONSE TO ENVIRONMENTAL HEALTH
HAZARDS PROGRAM
DIVISION OF EXTRAMURAL RESEARCH AND TRAINING

GABRIEL-NONPROFIT CORPORATIONS-38

DR. SCHONWALDER
NIEHS, NATIONAL INSTITUTE OF HEALTH
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
P.O. BOX 12233
RESEARCH TRIANGLE PARK, NC. 27709
(919) 541-7634

Grants are available to promote the understanding of how chemical and physical agents cause diseases. Annual funds available: \$65,000,000.

ENERGY RELATED INVENTION PROGRAMS
OFFICE OF ENERGY RELATED INVENTIONS
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY
MR. GEORGE LEWITT
GAITERSBURG, MD. 20899
(301) 975-5500

Grants are available to develop non-nuclear energy technology by promoting promising energy-related inventions. Annual funds available: \$5,700,000.

BASIC ENERGY SCIENCES
DEPARTMENT OF ENERGY
OFFICE OF ENERGY RESEARCH
MR. WILLIAM BURRIER
MAIL STOP G-236
WASHINGTON, D.C. 20545
(301) 354-4946

Grants are available to support fundamental research and activities in basic science and advanced technology concepts in fields related to energy. Annual funds available: \$438,000,000.

CONSERVATION RESEARCH AND DEVELOPMENT PROGRAMS
OFFICE OF MANAGEMENT AND RESOURCES
CONSERVATION AND RENEWABLE ENERGY
MS. JUDY SEWELL
WASHINGTON, D.C. 20585
(202) 586-9320

Grants are available to research energy conservation technologies into the areas of buildings, industry and transportation. Annual funds available: \$2,000,000.

PROMOTION OF THE ARTS PROGRAMS
NATIONAL ENDOWMENT OF THE ARTS
1100 PENNSYLVANIA AVENUE, NW.
WASHINGTON, D.C. 20506
(202) 682-5435

Grants are available for projects designed to support the various arts. DESIGN ARTS (\$3,686,000), DANCE (\$8,500,000),

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LITERATURE (\$4,435,000), MEDIA (\$11,700,000), THEATER (\$9,600,000), VISUAL ARTS (\$5,300,000), FOLK ARTS (\$2,800,000).

In addition to receiving grants, nonprofit corporations can receive donations and loans of personal property from government agencies and other nonprofit corporations. Some of the programs which are available to eligible nonprofit corporations are:

ARTS EXHIBITS

THE SMITHSONIAN INSTITUTE

1100 JEFFERSON DR., S.W., ROOM 3145

(202) 357-3168

The Smithsonian Institute Traveling Exhibition Service works with local nonprofit organizations to sponsor between 80 and 100 exhibits each year throughout the United States. Over half of the exhibits are in rural counties.

BOOKS

LIBRARY OF CONGRESS

EXCHANGE AND GIFT DIVISION

1ST & INDEPENDENCE STREETS, S.E.

MADISON BUILDING, ROOM 303

WASHINGTON, D.C. 20540

(202) 707-9511

Free books can be obtained from the Library of Congress. The Library of Congress first offers books for sale. Books which are not sold can then be given or sold to nonprofit corporations.

FOOD AND SURPLUS COMMODITIES

USDA FOOD DISTRIBUTION PROGRAM

3100 PARK CENTER DRIVE, ROOM 502

ALEXANDRIA, VA. 22302

(703) 756-3660

Nonprofit groups may apply for surplus commodities held by the Agricultural Department. Such commodities include flour, oils, milk and cheese. A nonprofit corporation which runs a food bank or food kitchen can qualify for such commodities.

HOUSING FOR THE HOMELESS PROGRAM

DIVISION OF HEALTH AND HUMAN SERVICES

MS. JUDY BREITMAN

PARKLAWN BLDG, ROOM 17A-10

5600 FISHERS LANE

ROCKVILLE, MD. 20857

(301) 443-2265

A nonprofit corporation which provides housing for the homeless may lease or be deeded title to unused federal real property to aid in its operations. A list of available property can be obtained by calling 1-800-927-7588. The publication "Obtaining Federal Property for the Homeless: Questions and Answers about Federal Property Programs" can be obtained from the above agency.

MISCELLANEOUS PROPERTY

OFFICE OF TRANSPORTATION AND PROPERTY MANAGEMENT

DIRECTOR, PROPERTY MANAGEMENT

WASHINGTON, D.C. 20406

(703) 557-1234

The General Services Administration (GSA) donates property to nonprofit organizations which has not been sold. Such property is usually sold for 2% of its value plus a handling fee. The property handled by the GSA can be anything that the federal government owns. The nonprofit organization will make a request for property that will aid its exempt purposes.

All of the above programs and many others not mentioned are available to nonprofit corporations. To access such programs, the corporation must contact the agency administering the program and ask for the appropriate application and information. Most agencies are very happy to reply because the more interest they have, the more money they can seek from Congress and the bigger they can grow.

IV. CONCLUSION

If two or more individuals wish to engage in a nonprofit activity, they should incorporate. Every state has enacted a nonprofit corporation act to protect individuals engaged in nonprofit activity from the personal liability for the debts of the organization in which they are involved. This protection is not available to individuals engaged in an unincorporated association

even though it exists for nonprofit purposes. For this reason if no other the organization should incorporate.

In addition to the limited liability for its members, a nonprofit corporation has a significant tax advantage over an unincorporated association if it gets a federal tax exemption under section 501(c)(3) of the Internal Revenue Code. Contributions to such a nonprofit corporation are tax deductible to the donor. The tax deductibility is a great incentive for donors to contribute to a nonprofit corporation rather than an unincorporated association to which such contributions are not deductible.

Finally, a nonprofit corporation is able to tap into a wide variety of state and federal programs which are not available to unincorporated associations. Such programs may result in the corporation having access to funds or property which are not available to unincorporated associations.

Based upon the foregoing discussion, it is generally in the best interest of any group intending to operate for nonprofit purposes to become a nonprofit corporation and to seek federal and state tax exemptions.

CHAPTER 4

TAX EXEMPTIONS

I. INTRODUCTION

One of the most important reasons for forming a nonprofit corporation to conduct nonprofit activities is because a nonprofit corporation usually can receive federal and state tax exemptions while an unincorporated association usually cannot receive them. A qualified nonprofit corporation which obtains federal and state tax exemptions will not have to pay any taxes on the income that is derived from its related business activities. By not having to pay taxes, the corporation will have 30% to 40% more income to apply towards its exempt goals. For example, assume that an unincorporated association operates an art museum earning \$100,000 per year after expenses. Since it does not have a nonprofit federal exemption, it will have to pay approximately \$28,000 in taxes. On the other hand, an art museum that is a nonprofit corporation, with a federal tax exemption, would not pay any federal taxes for its exempt activities.

Another significant reason for seeking a federal tax exemption is that contributions to section 501(c)(3) tax exempt nonprofit organizations (those for which this book is designed) are tax deductible to the donor. This means that a person or entity making contributions to such an organization will be permitted to deduct the value of the contribution from reported income on the donor's tax return. It is very beneficial for a nonprofit corporation to

receive a 501(c)(3) tax exemption instead of an exemption under the other 501(c) subsections. Once an organization receives a 501(c)(3) tax exemption, all contributions to it are tax deductible. Tax deductibility of contributions is a prime incentive for donors to make contributions to an organization. Example: John Smith wishes to give \$150,000 to charity. If Smith gives it to an unincorporated association, he will not get a tax deduction. Instead, if Smith gives it to a tax section 501(c)(3) organization (defined below) the contribution will be deductible. Smith is in a 33% tax bracket. He will save \$50,000 on his taxes: his actual cost of the gift is \$100,000, and the charity gets \$150,000. The donor to a 501(c)(3) nonprofit corporation receives a premium for the contribution in the amount he can deduct from his taxable income. As a result, donors are more willing to make their contributions to an organization when the donor will be able to deduct the value of the contributions and thus reduce his tax liability.

Another aspect of an organization having a federal tax exemption is that gifts made to the organization after the death of the donor are deducted dollar for dollar from the gross estate of the donor. Federal tax law requires all estates over \$600,000 that pass to someone other than the donor's spouse be taxed on a progressive scale that reaches 55%. Gifts to a 501(c)(3) organization reduce the gross estate of the donor for tax purposes. For example, assume that John Smith, a widower, has an estate of

\$2,100,000. Smith's last will gave \$1,000,000 to a local homeless shelter which is a nonprofit corporation with a federal tax exemption. Smith's estate is then reduced to \$1,100,000. The taxable estate is \$500,000 (\$1,100,000 minus the \$600,000 unified credit). The state tax is \$155,800. If the gift had not been made the taxable estate would have been \$1,500,000. The estate tax would have been \$555,800.

A nonprofit corporation also can receive a state exemption from taxes. Many states will not require any forms to be filed to get a state tax exemption because they grant such exemptions automatically to nonprofit corporations. Other states will grant the exemption only after the corporation receives the federal tax exemption and will then retroactively apply the tax exemption.

After receipt of the state tax exemption, the corporation should contact the local county tax agency to determine if any forms must be completed to be exempt from local real property and personal property taxes. Such exemptions are automatically granted once the organization receives the state income tax exemption. The State's Laws chapter lists the taxing agency for each state that governs the granting of state tax exemptions.

There are two types of tax exempt organizations: those to which contributions are deductible and those to which contributions are not deductible. This book can be used to incorporate a nonprofit corporation. In applying for tax exemption, this book is geared to those nonprofit corporations to which contributions will

be deductible by the donor. The reason for this is that nearly all nonprofit corporations which receive a tax exemption qualify as a section 501(c)(3) organization and thus contributions to them are deductible. This book will discuss in a general way those special tax-exempt corporations to which contributions will not be deductible, and it will detail how to complete a tax exemption application and discuss other aspects of the donor-deductible-contribution nonprofit corporation.

II. 501(c) TAX EXEMPT ORGANIZATION, CONTRIBUTIONS

NOT

DEDUCTIBLE BY THE DONOR

A. GENERAL

Under the Internal Revenue Code certain specifically defined nonprofit organizations are permitted to receive a federal tax exemption. However the tax law does not allow contributions made to these designated nonprofit organizations to be deductible by the donor on his tax return. These nonprofit organizations are treated differently than the majority of nonprofit corporations formed under section 501(c)(3) (discussed below) that are not only tax deductible but contributions to them are deductible by the donors. These organizations must complete IRS FORM 1024 to receive a tax exemption. Form 1024 is similar to FORM 1023 used by nonprofit corporations seeking an exemption under section 501(c)(3). An organization that must file FORM 1024 can review how FORM 1023 is completed in this book and use it for reference. Such an organization should also review IRS publication 557 "Tax-exempt

Status for Your Organization" before completing the tax exemption application. FORM 1024 and Publication 557 can be obtained free from the IRS by calling 1-800-TAX FORM.

B. 501(c) NON-DEDUCTIBLE CORPORATE DONATIONS

The following are those special tax corporation for which contributions usually will not be deductible:

1. Section 501(c)(2). CORPORATIONS HOLDING TITLE TO PROPERTY FOR EXEMPT ORGANIZATIONS. Such nonprofit corporations exist to hold and manage property for other tax exempt organizations. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are not deductible to the donor.

2. Section 501(c)(4). CIVIL LEAGUES, SOCIAL WELFARE ORGANIZATIONS OR LOCAL EMPLOYEE ASSOCIATION. Such organizations exist exclusively to promote social welfare or employee associations which are composed of employees from one employer for charitable, educational or recreational purposes. Examples: volunteer fire companies, search and rescue companies, homeowners associations. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are usually not deductible to the donor. Such contributions can be deductible only when they are to be used exclusively for public purposes rather than to benefit the members of the organization.

3. Section 501(c)(5). LABOR, AGRICULTURAL OR HORTICULTURAL ORGANIZATION. Such nonprofit corporations are composed of workers to promote their industry and protect their jobs. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are not deductible to the donor.

4. Section 501(c)(6). BUSINESS LEAGUES, CHAMBER OF COMMERCE OR BOARDS OF TRADE. Such nonprofit corporations are composed of persons to improve business in general or particular industries. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are not deductible to the donor.

5. Section 501(c)(7). SOCIAL AND RECREATIONAL CLUBS. Such organizations exist exclusively to promote pleasure, recreation and other nonprofit purposes. Examples: model flying clubs, bowling clubs, search or hunting clubs. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are not deductible to the donor.

6. Section 501(c)(8). FRATERNAL BENEFICIARY SOCIETIES. Such groups are organized under a lodge system for the exclusive benefit of its members. They usually provide benefits such as life, medical or accident insurance to their members. Examples: Lions, Moose, Shriners. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are usually not deductible to the donor. Some contributions may be deductible if used exclusively for section 501(c)(3) purposes.

7. Section 501(c)(9). VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATIONS. Such groups of employees are organized to provide benefits to their members. None of the earnings inure to the benefit of any individual member except in accordance with the group benefit plans. Form 1024 is used to get the exemption. Contributions to the nonprofit corporation are not deductible to the donor.

8. Section 501(c)(10). DOMESTIC FRATERNAL SOCIETIES. Such groups are organized under a lodge system exclusively for religious, charitable, scientific, literary, educational or fraternal purposes. They do not provide benefits such as life, medical or accident insurance to their members. Form 1024 is used to get the exemption. Contributions to the nonprofit corporation are usually not deductible to the donor. Some contributions may be deductible if used exclusively for section 501(c)(3) purposes.

9. Section 501(c)(11). LOCAL TEACHER RETIREMENT FUND ASSOCIATIONS. Such nonprofit corporations are formed to receive money from public taxes, from assessments on the teaching salaries of its members and investment income. Such funds are used exclusively to provide retirement benefits for the members. No form is used to get the tax exemption instead a letter requesting the exemption is sent to the local IRS District Director. Contributions to the nonprofit corporation are not deductible to the donor.

10. Section 501(c)(12). BENEVOLENT LIFE INSURANCE ASSOCIATIONS, MUTUAL WATER AND TELEPHONE COMPANIES. Such organizations exist on a mutual or cooperative basis to provide life insurance, water or telephone service to their members. Eighty five percent (85%) of the income must come from the members and the income must be used exclusively for expenses of the organization. Form 1024 is used to get the exemption. Contributions to the nonprofit corporation are not deductible to the donor.

11. Section 501(c)(13). CEMETERY COMPANIES. Such organizations exist exclusively to provide cemetery services to their members. Form 1024 is used to get the exemption.

Unlike most non-501(c)(3) tax exempt organizations, contributions to this nonprofit corporation are usually deductible to the donor.

12. Section 501(c)(14). CREDIT UNIONS. Such nonprofit corporations are formed to provide mutual financial services to their members. They are organized without stock and for nonprofit purposes. No form is used to get the tax exemption instead a letter requesting the exemption is sent to the local IRS District Director. Contributions to the nonprofit corporation are not deductible to the donor.

13. Section 501(c)(15). MUTUAL INSURANCE COMPANIES. Such organizations exist on a mutual or cooperative basis to provide life insurance to their members. Form 1024 is used to get the exemption. Contributions to the nonprofit corporation are not deductible to the donor.

14. Section 501(c)(16). FARMERS COOPERATIVES. Such nonprofit associations are formed to provide for the marketing of their members' produce or products on a cooperative basis. No form is used to get the tax exemption instead a letter requesting the exemption is sent to the local IRS District Director. Contributions to the nonprofit corporation are not deductible to the donor.

Note subparagraph 19 below.

15. Section 501(c)(17). WAR VETERAN ORGANIZATIONS. Such organizations exist to provide benefits to their members. Form 1024 is used to get the exemption. Contributions to this nonprofit corporation are usually not deductible to the donor. Contributions will be deductible if 90% of the members of the organization are war veterans.

16. Section 501(c)(20). GROUP LEGAL SERVICE ORGANIZATIONS. Such organizations exist exclusively to provide a qualified legal services plan to their members. Form 1024 is used to get the exemption. Contributions to such nonprofit corporations are not deductible to the donor.

17. Section 501(c)(25). TITLE HOLDING COMPANIES. Such nonprofit corporations exist to hold and manage property. Income from the property is distributed to 501(c)(3) tax exempt entities that are the shareholders of the corporation. Form 1024 is used to get the tax exemption. Contributions to the nonprofit corporation are not deductible to the donor.

18. Section 501(d). RELIGIOUS AND APOSTOLIC ORGANIZATIONS. Such organizations engage in common business for the benefit of their members. Each member's share is included on his tax

return. No form is used to get the tax exemption instead a letter requesting the exemption is sent to the local IRS District Director. Contributions to the nonprofit corporation are not deductible to the donor. This is a seldom-used provision for getting a tax exemption because a religious organization can usually qualify for a 501(c)(3) tax exemption which bestows more favorable tax treatment.

19. Section 512(a). FARMERS COOPERATIVE ASSOCIATIONS. These are farmers' cooperatives which exist to market the members' products and to purchase equipment. Form 1028, not Form 1024, is used to get the exemption. Contributions to the nonprofit corporation is not deductible.

A nonprofit corporation which is formed to accomplish any of the above purpose will receive a federal tax exemption. Contributions to such a corporation, however, will usually not be deductible. This rule is not hard and fast. It is possible for a non-501(c)(3) corporation (one of the above) to establish a fund from which it will conduct only activities that would otherwise satisfy 501(c)(3) purposes. Contributions to this special fund will be tax deductible. The rules for establishing this separate 501(c)(3) fund are covered in Publication 557.

III. 501 (c)(3) TAX EXEMPT CORPORATION, CONTRIBUTIONS

DEDUCTIBLE BY THE DONOR

A. PURPOSES

Only contributions to a nonprofit corporation that received a federal tax exemption under IRC section 501(c)(3) will be deductible to the donor. A 501(c)(3) tax exemption is the most desirable form in the IRS inventory. It is advantageous for a nonprofit organization to have a 501(c)(3) tax exemption because it permits deductions to the organization to be tax deductible by the donor. A contribution to a tax exempt organization which is not tax deductible cannot be used by the donor to reduce his federal

income tax: the contribution is made in after-tax dollars. Most donors want the tax advantage of being able to deduct a portion of their contributions from their personal reportable income on their income tax return. Moreover, more money can be contributed to the organization if the contributions are deductible.

Section 501(c)(3) organizations are nonprofit corporations which are formed exclusively to accomplish one or more of the following purposes:

1. Religious purposes,
2. Charitable purposes,
3. Scientific purposes,
4. Literary purposes, or
5. Educational purposes.

A nonprofit corporation that is formed exclusively to pursue one or more of the above purposes will receive a federal tax exemption under section 501(c)(3). It is relatively easy for a tax exempt organization to qualify for 501(c)(3) tax exempt status. An important aspect to remember is that whatever activity is undertaken, its function must be to achieve or further one or more of the stated purposes:

1. RELIGIOUS PURPOSES.

A religious tax-exempt organization under section 501(c)(3) includes both formalized churches and the auxiliaries. The IRS does not question tenets of faith as long as they are not against the law. As long as the activities of the organization foster religious worship or advance a religious purpose or belief, the organization will be found to have a religious purpose and qualify for a 501(c)(3) tax exemption.

Nearly any activity which furthers the advancement of religion will satisfy the religious purposes test. It is not uncommon for such an activity to satisfy a charitable or educational purpose while satisfying a religious purpose as well. For example, assume that a religious organization operates a soup kitchen for the destitute. It would qualify for a 501(c)(3) tax exemption both as

a religious organization and as a charitable organization. Publishing a newsletter to promote religious belief or interests has been held to promote religion and qualify for a 501(c)(3) tax exemption.

An organization has the option of applying for a 501(c)(3) tax exemption as either a church or a religious organization. If the organization qualifies as a church, it will receive automatic public charity status. An automatic public charity does not have to meet public support standards in order to maintain its tax exemption. All other 501(c)(3) organizations must maintain a minimum of public support to continue to receive their public charity status (as discussed below). To be considered a church, the IRS and the courts will closely examine the operation of the organization. Any organization seeking church status will be required to complete a special IRS schedule which, among other matters, will investigate the following:

1. Whether or not the organization practices a recognized creed.
2. The government of the organization.
3. The doctrine of the organization.
4. Whether or not the organization has ordained ministers or clergy.
5. Whether or not the organization has formal meetings and services.
6. Whether or not the organization has places of worship.

Most of us tend to know if an organization really qualifies as a church or is just a religiously affiliated organization. From a practical standpoint, both types of organization will get a tax exemption. The religiously affiliated organization, however, will have to be concerned with satisfying the public support requirement for maintaining the tax exemption.

2. CHARITABLE PURPOSES.

It is under the charitable purpose requirement that nearly all 501(c)(3) organizations qualify for their tax exemption. The reason

for this is that the word charitable is broadly defined to encompass anything that is "beneficial to the public interest." Most nonprofit corporations have activities that satisfy an educational, literary or scientific purpose that will usually also satisfy a charitable purpose.

A charity exists to benefit the public. The public is defined as being an indefinite number of persons rather than defined individuals. A charity can exist to aid a particular group as long as the group is open and the persons to receive the benefit are not specifically identified. For example, assume that a nonprofit organization formed to aid the homeless in a city has a charitable purpose; an organization to aid specially named homeless persons. Such a nonprofit organization will not have a charitable purpose for tax purposes.

"Charitable purpose" is, as stated above, broadly defined. A charitable purpose is anything that aids the public. Examples of charitable purposes have been:

1. Protecting the environment.
2. Providing food to the elderly.
3. Providing education.
4. Providing medical services to the indigent.
5. Operating a museum.
6. Operating a library.
7. Operating a park.
8. Operating a hospital.

A charity is permitted to make money from its activities. It is just not permitted to distribute the money earned to any shareholder or member. The profits of the charity must be used to achieve or further the charitable purpose for which the nonprofit corporation was formed.

3. SCIENTIFIC, EDUCATION AND LITERARY PURPOSES.

The other remaining purposes for the 501(c)(3) tax exemption overlap so much that the definition of "charitable purpose" must be included. The test is whether the public is benefited by the

activity performed by the nonprofit corporation. Scientific research to find a cure for a disease or add to human knowledge qualifies for a tax exemption as both a scientific and charitable purpose. In applying for a tax exemption under any of these purposes, the application should be broadly drawn to highlight the charitable aspect of the activity as well.

The above five purposes are the only ones for which a 501(c)(3) tax exempt nonprofit corporation can be formed. A tax exempt corporation cannot mix 501(c)(3) purposes with any of the other 501(c) subsections discussed above. If it does, the corporation will still be tax exempt, but it will be tax exempt under the other 501(c) subsection and not section 501(c)(3). Example: A 501(c)(3) organization also performs functions as a civic league. It may lose its 501(c)(3) status and be treated as a 501(c)(4) nonprofit corporation.

There are two types of 501(c)(3) tax exempt organizations: the public charity and the private foundation. The differences between the two types are in the percentage of contributions which a donor may deduct on his income tax return and operating limitations. The differences are discussed in detail below.

B. TYPES OF 501(c)(3) ORGANIZATIONS

1. PUBLIC CHARITIES

Of the two types of 501(c)(3) organizations, the best one to be is a public charity. The advantages of a public charity over a private foundations are:

1. Contributions to a public charity are deductible to 50% of the donor's adjusted gross income. Contributions to private foundations are deductible only to 30% of the donor's adjusted gross income.
2. A public charity does not have the operating limitations which are placed upon a private foundation.
3. A public charity does not have to pay the 2% excise tax that a private foundation must pay.

These advantages make it desirable for a nonprofit corporation to

be classified as a public charity rather than a private foundation. The Congress, however, is concerned with collecting as much tax revenue as possible. More tax revenue will be collected if a 501(c)(3) organization is treated as a private foundation. For this reason, Congress has decreed that a 501(c)(3) tax exempt organization will be classified as a private foundation unless it can prove that it is a public charity.

In order for a 501(c)(3) organization to prove that it is entitled to public charity status, it must pass one of three tests. The three tests which determine if a 501(c)(3) tax-exempt organization should be classified as public charity are:

1. The automatic charity test.
2. The public support test.
3. The general support test.

a. THE AUTOMATIC CHARITY TEST

Some lucky 501(c)(3) organizations are automatically classified as public charities and do not have to pass either of the two following tests. Nonprofit corporations that qualify for public charity status have as their main purpose the operation of

1. Churches rather than mere religiously affiliated groups. A determination that an organization is a church rather than just a religious organization requires, as discussed above, that detailed information regarding its operation be submitted. If such a favorable determination is made, the church need not be concerned with ever having to satisfy either of the two other tests in order to maintain its public charity status. Churches are governed by section 509(a)(1) and 170(b)(1)(A)(i) of the Internal Revenue Code.

2. Schools. For a school to be classified as a public charity, the IRS looks at its operations and particularity how formalized it is and whether it has a regularly enrolled student body. The more the school takes on the attributes of a traditional school, the more likely it will be classified as a public charity. Schools are governed by section 509(a)(1)

and 170(b)(1)(A)(ii) of the Internal Revenue Code.

3. Hospitals and Medical Research Organizations. Nearly any nonprofit organization that provides health care in any form (such as medical clinics, drug abuse centers, mental health clinics) will qualify as a public charity. Organizations which are involved in medical education or research will receive public charity status only if they are associated with a hospital and provide medical care to patients in the hospital. Such organizations are governed by section 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code.

4. Public Safety Organizations. Nonprofit organizations which are formed to conduct public safety tests automatically qualify for public charity status. Such tax exemption is governed by IRS section 509(a)(4).

5. Supporting Organizations. Under IRS 509(a)(3), an organization which is formed solely to aid in the operation of another public charity (except for a public safety organization) will itself also be classified as a public charity. In other words, if a public charity has a subsidiary or affiliate organization, that subsidiary or affiliated organization also qualifies as a public charity.

While it is desirable for a 501(c)(3) organization to be classified as a public charity, few such organizations qualify. An organization which does not meet the public charity requirement may still be classified as a public charity if it passes either of the two public support tests defined below.

b. PUBLIC SUPPORT TEST

A 501(c)(3) tax-exempt corporation will be classified as a public charity if:

1. At least 1/3 of its total support per year is derived from:

- (a) Support from government agencies,
- (b) Contributions from the general public, or
- (c) A combination of (a) and (b), or

2. It meets an "attraction of public support requirement" and at least 1/10 of its total support over a four-year period is derived from:

- (a) Support from government agencies,
- (b) Contributions from the general public, or
- (c) A combination of (a) and (b).

In determining public support membership, fees and dues are treated as public support as long as the members do not receive a benefit in exchange for them. As long as the fees and dues are solely to acquire and maintain membership, they are counted as public support. If the fees and dues are used to purchase a benefit from the organization (such as use of its facilities) they are not considered public support. The defining point is whether the member receives anything of value for the fees or dues.

Investment income is not considered public support but is considered in calculating the corporation's total support. Hence, an organization with large investment income may have problems satisfying the public support percentages. In the same vein, income derived from unrelated business activities (those not furthering the exempt purpose of the organization) is not counted as public support but is counted towards total support.

Income derived from the sale of assets or from the performing of tax exempt activities is not counted in any way. Such income is not counted either for total support or public support of the corporation. Income derived from performing exempt activities

includes admission fees for public events and fees charged for hosting seminars or for selling merchandise related to the corporation's exempt purposes.

(i) LIMITATIONS ON PUBLIC CONTRIBUTIONS TEST

As with most government tests, there are always qualifiers. In calculating total support, all funds that the corporation receives during the four-year period are included. When calculating the public support percentage, however, there are limitations on the amounts of contributions from certain individuals which can be considered.

In determining the percentage of public support, there is a limitation on the amount that an individual, trust or corporation contributes to the nonprofit corporation that can be counted toward public support. The total amount of contributions from any individual, trust or corporation for any four-year period which will be counted towards a nonprofit corporation's public support cannot exceed 2% of the corporation's total support. This limitation only applies to contributions from the public. There is no limitation on the amount of contributions from government agencies or other public supported organizations that can be included in calculating total public support. For example, assume that ABC nonprofit corporation received \$100,000 in total support over four years. \$60,000 came from government grants and \$40,000 from the public. George Smith contributed \$20,000. In calculating total public support, the \$60,000 from government sources is counted in total, the \$20,000 from other public sources is also

counted in total. Smith's contribution is limited to \$4,000 (2% of the total \$100,000). The total public support is \$84,000 (84%). Since public support percent is over 33%, the organization qualifies as a public charity.

On the other hand if ABC nonprofit corporation received \$1,000,000 in total support over four years with \$300,000 coming from three people each and \$100,000 from a fourth person, the limitation on contributions from each individual would be 2% of \$1,000,000 or \$20,000. The total public support would be \$80,000. The corporation would fail this test because public support would be only 8%.

As with any rule, there are exceptions to the 2% limitation on public contributions when calculating support. If the contribution takes the form of an unusual contribution, it will not be counted either for public support or total support. An unusual grant is considered to be one that:

- (1) Was given to the organization to further its tax exempt purpose,
- (2) Was unexpected in the sense that it is not routinely given to the organization or has been given in an unusually large amount, and
- (3) Because of the size of the grant, counting it in support calculations would prevent the organization from meeting public support test.

If an organization is found to have received an unusual grant, the value of the grant will not be considered in determining the percentage of public support. It is to the advantage of an organization to strive to maintain a level of public support so

that it will meet the required minimum standards.

(ii) ATTRACTION OF PUBLIC SUPPORT TEST

If the corporation cannot meet the 33% minimum of public support, it will still be classified as a public charity if it has at least 10% public support and satisfies an IRS requirement of attracting public support.

In determining if an organization has been attracting public support, the IRS evaluates several separate factors, none of which are determinative in itself. The IRS looks at:

1. Whether the organization is actively seeking funds from the public or relying mainly on old sources of funding. An important consideration is whether the corporation is actively seeking new members and soliciting support from government and private sources.
2. Whether most of the organization's funds come from the community and government agencies or a group of individuals with special interests. The broader the source of funding, the better the IRS likes it and the greater the chances of being found to be publicly supported.
3. Whether the board of directors represents the community at large. Toward this end, the IRS likes to see public officials on the board as representatives of the public.
4. Whether the corporation provides facilities or services to the public. Examples of such activities include operating a museum, holding concerts and giving seminars.

If an organization is able to pass this test, it will be classified as a public charity. If the corporation is unable to pass this test, it may still achieve public charity status if it

passes the General Support Test below.

(iii). GENERAL SUPPORT TEST

A 501(c)(3) tax exempt corporation will be classified as a public charity if it passes the general support test. Under this test, the corporation will be a public charity if:

1. It receives 1/3 of its total support each year (rather than over four years) from qualified public support. What makes the general support test better than the public support test is that gross receipt from the performing of tax exempt activities are counted both for total support and public support. Hence organizations that will support themselves through the admission fees of their tax exempt activities will be more likely to pass this test than the public support test. Gifts, government grants, public contributions and membership fees are treated in the same manner as in the public support test above.
2. The organization must not receive more than 1/3 of its total support from unrelated business income or investment income.

In place of the 2% limitation used in the public support test, this test has a limitation of \$5,000 or 1% of total support that can be received from individuals, corporations or entities for the performance of any tax exempt activity. This limitation applies only to performance of tax exempt activities, it does not apply to contributions, membership fees or grants to the organization that are not receipts or payments for the performance of tax exempt activities. For example assume that ABC Orchestra nonprofit corporation holds a charitable auction to buy new instruments.

The corporation earned \$250,000 for the year. At the auction, it sold John Smith a violin for \$50,000. The greater of \$5,000 or 1% of \$250,000 (which is \$2,500) will be counted as the public support from John Smith.

Grants are not subject to the \$5,000-or-1% limitation if they are not for the performance of tax-exempt activities; the person or entity making the grant does not expect to receive any personal benefit from the performance of the tax-exempt activity. This issue most often arises where a tax-exempt entity is given a grant which is specifically dedicated for use in conducting tax-exempt activities that somehow benefits the donor. Thus the grant is for performance of tax-exempt activities and is therefore subject to the \$5,000-or-1% limitation. For example, assume that a farmer gives to a nonprofit scientific research corporation specifically for use to develop bug-resistant crops. The grant is subject to the limitations. As with the public support test, when the grant is found to be unusual, it is excluded from both the total support and public support calculations for the general support test.

The general support test is the test by which most 501(c)(3) organizations will receive their public charity designation. This test is most useful for self-sustaining organizations which must rely upon themselves to survive.

c. CONCLUSION

If a 501(c)(3) tax-exempt corporation cannot pass any of the above three tests, it will be classified as a private foundation

and treated accordingly. Even if a tax-exempt corporation cannot become a public charity, becoming a private foundation still delivers strong advantages.

2. PRIVATE FOUNDATIONS

A tax-exempt organization formed under IRC section 501(c)(3) will be either a public charity or a private foundation. If the organization fails to meet any of the three tests for a public charity, it will be classified as a private foundation. If a private foundation is going to be a private operating foundation (one that performs activities or provides services rather than merely distributing funds to other tax-exempt organizations), it is required to meet its own special income test and one of the three following tests: an assets test, an endowments test or a support test. It is assumed that the nonprofit corporation being formed will seek public charity status. If a private foundation is being created, the instructions for completing Form 1023 are still valid, but Publication 557 should be read prior to completing the application.

The IRS assumes that all 501(c)(3) organizations are private foundations unless they can prove by their applications that they are entitled to public charity status. Unless the tax-exempt organization applies for public charity status (submits Form 1023) within 15 months of formation (or within any granted extension) it will be classified as a private foundation even though it would otherwise qualify as a public charity.

The main difference between a public charity and a private

foundation is who runs it and where does it get its money. A public charity must receive a minimum amount of support from the general public or governmental agencies. In addition, public charities must have boards which are open to the public. By comparison, private foundations do not have fixed minimums for public or government support. In addition, the boards for private foundations are often closed to input from the public. Private foundations often are established by wealthy families, (Ford Foundation, Rockefeller Foundation) etc. and are often controlled by members of that family. The funds for many private foundations come mostly from endowments provided by the creators of the foundation and subsequent investment income.

Because private foundations usually have a close relationship with its founders, Congress has imposed special operating restrictions on them. The purpose of these restrictions is to assure that private foundations are not used to give any special tax benefits to their creators. These limitations are covered in IRS Publication 578, TAX INFORMATION FOR PRIVATE FOUNDATIONS AND FOUNDATION MANAGERS, and are as follows:

1. Contributions are tax deductible to a private foundation only to a maximum of 30% of the donor's adjusted gross income as opposed to 50% of the donor's gross income for contribution to public charities. IRS Publication 526 CHARITABLE CONTRIBUTIONS discusses the rules for contributions to private foundations.
2. There is a 2% excise tax (reduced to 1% for certain private foundations) on the net investment income of the private foundation. This tax does not apply to public

charities.

3. There are restrictions on self-dealing between the private foundation and the disqualified persons. Under the IRC, disqualified persons are:
 - a. Officers, directors and managers of the private foundation,
 - b. Substantial contributors to the private foundation, and
 - c. Persons or entities owning 20% of the voting power of a corporation, partnership, or association which is a substantial contributor to the private foundation.

For self-dealing there is an excise tax of 5% on the amount involved in the transaction. In addition, the foundation manager involved in the self-dealing is assessed another 2 1/2% excise tax. If a disqualified person other than a foundation manager is involved in the self-dealing, that person is assessed an excise tax of 200% of the amount involved in the self dealing.

4. There are limitations on investments in private businesses, and
5. A private foundation must not make investments which could jeopardize the ability of the organization to carry on its tax exempt purposes.

In order for a nonprofit corporation to receive a tax exemption as a private foundation, the articles of incorporation for the organization must meet the following provisions:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of Federal Tax Laws.
2. The corporation will not engage in any act of self-

dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal tax laws.
4. The corporation will not make any investments in such manner as to subject it to tax under section 4944 of the Internal Revenue Code, or corresponding provisions of any subsequent Federal Tax Laws.
5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal Tax Laws.

The Articles of Incorporation contained in this book include these provisions. Hence if the IRS finds the corporation does not qualify as a public charity but does qualify as a private foundation, the tax exemption as a private foundation could then be issued. Without such provisions, the tax exemption would be denied, and the corporation would have to amend the articles to get the private foundation tax exemption.

IV. LIMITATIONS ON HOW 501(C)(3) TAX-EXEMPT CORPORATIONS OPERATE

There are certain limitations on the operation of 501(c)(3) corporations that apply whether or not they are public charities or private foundations.

There is a unique limitation on how a 501(c)(3) organization can operate. A corporation might offer to sell to the public or offer services to the public which could be obtained free from the

federal government or for a nominal fee. If it does, section 6711 requires the corporation to include a statement in its offering materials (or otherwise inform the client) that such information or services can be obtained for free or at a nominal charge from the government. Failure to disclose this information will subject the corporation to fine. This matter is discussed in detail in Publication 557.

A 501(c)(3) organization is forbidden from substantially engaging in activities that are not related to furthering the tax exempt purposes for which the organization was formed. It is recognized most nonprofit organization must engage in some unrelated business activities to raise money to survive. The prohibition applies only where a disproportionate amount of the organization's time, energy and resources are used in unrelated business activities and the tax-exempt purposes suffer.

A 501(c)(3) organization is prohibited from being formed or operated in such a way as to bestow special benefits on particular individuals rather than the public at large. Specifically, to prevent this benefit of private persons or entities, a 501(c)(3) corporation is:

1. Prohibited from distributing any of its net earnings or profits to any person or entity that is a member, shareholder or contributor, and
2. Required upon dissolution to distribute its assets to another tax-exempt organization or government entity rather than to any person, member, shareholder or non-tax exempt entity.

A 501(c)(3) tax-exempt organization is permitted to pay reasonable salaries to its directors, salaries and employees without violating the prohibition. Such salaries and payments are permitted as long as the above persons substantially engage in activities to further the exempt purposes of the organization.

V. APPLICATION

To get a tax exemption as a 501(c)(3) entity, a nonprofit corporation must file a Form 1023 along with several other forms. The application and all accompanying forms will be sent to the Internal Revenue office where Form 8718 is to be sent.

In addition to Form 1023, the corporation must apply for a federal identification number if it had not done so previously. An identification number is obtained by filing a Form SS-4. Following this chapter is a blank Form SS-4 and its instructions.

Few things from the government are free, and that includes filing for tax exempt status. Every organization applying for a tax exemption must file Form 8718 "USER FEE FOR EXEMPTION DETERMINATION LETTER." This form is simple to complete. A new organization that expects to average less than \$10,000 per year for the next four years will check that box on the form and submit a check in the amount of \$150. If the organization expects to earn more than \$10,000 per year, it checks the next box and pays \$465. If the organization pays the \$150 and actually averages more than \$10,000 for the next four years, the IRS will bill it for an additional \$315.

A. PART I. IDENTIFICATION OF THE APPLICANT

The first part of Form 1023 is the easiest to complete. This section is simply a statement of the basic information regarding the corporation.

Line 1 (a-d) lists the name and address of the corporation.

Line 2 lists the identification number of the corporation. If the corporation has not yet received one, it should write "applied for" and attach Form SS-4 to the application.

Line 3 is the name and phone number of the person the IRS is to contact if they have questions.

Line 4 requires listing the date for closing of the corporation's fiscal year. Most corporations use a calendar year for their fiscal year so the date would be December 31.

Line 5 requires listing the date the articles of incorporation were filed.

Line 6 requires the corporation to fill in a maximum of three activity codes that best describe the activity of the corporation. The codes are on the last page of Form 1023. A corporation should use three codes to make their statement of activity as broad as possible.

Line 7 applies to special tax-exempt organizations and usually will be left blank. Section 501(e) organizations are those that will perform cooperative services to hospitals. Section 501(f) organizations are those performing collective investment services for educational organizations. Section 501(k) applies to child-care organizations. Such organizations will qualify for 501(c)(3) exemption if they meet special requirements which are set forth

under "Child Care Centers" in Publication 557.

Line 8 requires the organization to state if this application is its first. Some organizations will have had their first application denied, and they have reorganized so they can reapply. If such is the case, a letter of explanation should accompany the application.

On Line 9 the corporation must state whether it will be required to file a Form 990. Most 501(c)(3) organizations will have to file a Form 990. Form 557 lists the few organizations (which are usually automatic public charities) that will not have to file a Form 990.

Line 10 requires the corporation to state if it previously filed a tax return. This is important because if the corporation has been in existence for more than 15 months prior to filing the application and did not revive an extension, it might be barred from receiving a public charity status.

Line 11 requires the organization to state whether it is a corporation, trust or association. If the organization is a nonprofit corporation, which it would be if it uses the forms in this book, it must also attach copies of its articles of incorporation and bylaws.

B. PART II. ACTIVITIES AND OPERATIONAL INFORMATION

The answers to this section must be completed. If the space given for the answers is not sufficient, separate pages should be attached to explain further. An example of the form of attachments:

"Attachment for Part 1. Line 2.

Additional sources of the corporation's income will be:"

The point to remember is that the IRS will assume nothing. If the information is incomplete or hard to understand, the application will be denied. Time and care should be taken in completing the application to avoid having to redo it later.

Line 1. The information herein is probably the most important of the entire application. For that reason, this information should be carefully drafted by the person with the most information and understanding on the proposed operations of the corporation. The corporation is required in this section to provide information that proves that the corporation will engage in tax-exempt purposes. Information that specifically defines the corporation's purposes must be stated. A restatement of the corporation's purposes as stated in its articles of incorporation is insufficient. There must be specific statements about what the corporation intends to do. Example: An organization is being formed to promote the musical arts. The corporation should state something to the effect that it will hold concerts open to the public. The proceeds of the concerts will be used to fund concerts and to employ local musicians.

The proposed activities of the corporation must be stated with particularity. This includes when the activities will be held, where they will be held, what they will be and who will be performing them. A point to remember: Public charities will need to receive a minimum percentage of public support. The application

must therefore be written so that the IRS will understand that the minimum requirement of public support will be met. If it is not made clear that the required minimum of support is met, the organization may be classified as a private foundation.

Line 2 requires a listing of all current and projected sources of funding. The entity should rely most often on membership fees and dues. Government grants and receipts from performance of tax-exempt activities should also be stressed. The importance of unrelated business income and investment income (income from activities which do not further the tax-exempt purposes such as a museum or running a hotel) should not be overly stressed. Remember a public charity must have a minimum percentage of public support; hence all sources of public support should be stated.

Line 3 requires the fund-raising activities of the organization to be stated. Most new corporations will not have decided how they will proceed to raise moneys. That is usually an advantage. The corporation can state that most of its fund raising will come from membership and dues, which is public support. The corporation can also state that once it gets its tax exempt status, it will apply for government grants to help promote its tax-exempt purposes. The corporation seeking public charity status should stress that it will continue to have an aggressive membership recruiting activity. Another fund-raising activity which should be stressed is the performance of the tax-exempt activity. For example, assume that a museum states that many of its fund-raising activities will be special art shows at which it charges the public

small admission fees.

Line 4 requires a listing of the corporation's officers and directors. If any are public officials, they must be identified. The IRS likes to see public officials serving as officers or directors. The IRS views them as proof of public support. The IRS also requires that if any of the officers or directors of the corporation become engaged in self-dealing with the corporation, their relationship will be disclosed. There are severe penalties for disqualified persons engaging in self-dealing with a private foundation. Such relationships must be disclosed to the IRS.

Lines 5, 6, 7 and 10 involve the disclosing of any relationship with another organization. Most nonprofit corporations are not controlled by another corporation or accountable to another organization. Thus most corporations seeking tax exemption will mark "no" to these questions. Any "yes" answers must be explained with particularity.

Line 8 requires that the corporation state what assets are used in performing its exempt function. Example, a nonprofit museum states its real property and its art inventory. If the activity is entirely performed by volunteers, the answer is "none" with an explanation as to why it is none.

Line 9 requires an answer of whether or not it will be funded by a tax-exempt bond offering. The answer is almost always "no." Generally, only nonprofit organizations intimately related to a government unit will qualify for such bond financing; that is not the ordinary nonprofit corporation.

Line 11 requires information about whether the corporation is a membership organization. If so, the subparts a, b and c must be answered. The only issue of concern is 11(c) where any benefits for membership must be stated. Remember dues received in exchange for benefits other than voting rights are not considered public support. Most corporations should write "beyond voting rights, the members receive no special benefits in exchange for their dues; see corporate bylaws."

Line 12(a) requires the organization to state whether or not it will charge the public for providing services, benefits or products. This is entirely permissible. It is understood that nonprofit corporations need to make money in order to pay their expenses. As such, the corporation must explain how the charges will be calculated and attach any fee schedule.

Line 12(b) requires the corporation to state whether or not its benefits, services or products will be restricted to specific individuals. The usual answer is "no." Discrimination that is too narrow could prevent the granting of tax exemption. Limitation to a specific group is permissible when the group is large and related to the specific purpose of the organization. Examples: helping the homeless, abused children or the elderly.

Line 13 requires the corporation to state whether or not it will be influencing legislation. The answer should almost always be "no." Any "yes" answer could jeopardize the tax exemption. Generally, 501(c)(3) organizations are forbidden from engaging in political activities. Any such organization which does so could

lose its tax-exempt status. A discussion of the limitation of political activities is set forth in Publication 557.

Line 14's response should follow that one given in line 13. A 501(c)(3) corporation is not permitted to participate in political campaigns. Such participation is limited to providing nonpartisan voter education. Most organizations should refrain from all political campaigns and attempts to legislate or first consult a tax attorney. Generally, such activities will invalidate a tax exemption.

C. PART III. TECHNICAL REQUIREMENTS

Line 1 requires the corporation to state if it is filing the application within 15 months. If "yes" (as it should be), go to line 8.

Lines 2 through 7 apply to an organization that files for a tax exemption under section 501(c)(3) more than 15 months after formation. By completing these lines, the organization is attempting to get relief from the rule that the excessive delay in filing requires the corporation to be limited to private foundation status, even if it otherwise qualifies as a public charity.

Line 8 requires the corporation to state whether or not it is a public foundation. If the answer is "no" (because it is seeking public charity status), the corporation skips to line 10. If the answer is "yes," the corporation goes to line 9.

Line 9 requires that the corporation must state whether or not it is a private operating foundation (one that conducts exempt activities as opposed to one which merely distributes money to

other exempt organizations). The corporation then goes to Part 4.

Line 10 requires a corporation seeking to be a private foundation to check which of the boxes best fits why it should be so classified. If the organization is seeking public charity status (church, school, hospital, medical research organization, or support organization) for other tax-exempt organizations, it must complete special schedules A, B, C or D, respectively. Most 501(c)(3) organizations are not formed for such purposes and do not have to complete any additional schedules in order to receive tax exempt status as a public charity.

Line 10, box h is for organizations which qualify under the public support test.

Line 10, box i pertains to those organizations which satisfy the general support test.

Line 10, box j applies to those organizations which believe they qualify under either the public support or general support test but are unsure which one. By checking this box, the organization leaves it to the IRS to apply both tests and grant the exemption if either test is met.

If boxes a through f are marked, the corporation then goes to question 15. If box g is marked, the corporation goes to Line 12. If either box h, i or j is marked, the corporation goes to Line 11.

Line 11 requires the organization to state whether or not it is seeking a definitive ruling or an advance ruling. A definitive ruling is a final statement of whether the corporation qualifies henceforth as a public charity or as a private foundation. To

receive a definitive statement, the corporation must have been in existence for at least eight months and have received sufficient support during that time for the IRS to make its decision. Generally, a new corporation will not have enough support for several years for the IRS to issue a definitive ruling. In such an event, the IRS will issue an advance ruling, even though a definitive ruling had been requested. The definitive ruling will only be issued when the IRS has sufficient information to make a determination on the organization's status.

An advance ruling is a temporary ruling by the IRS of whether the corporation qualifies as a private foundation or a public charity. Any new corporation in existence for less than eight months before filing for the application is limited and can only request the advance ruling. The IRS usually only grants advance ruling unless the organization has a great many financial records. Therefore, most organizations should simply apply for the advance ruling. The IRS will look at the submitted financial information. Then it usually grants an advance ruling for a public charity when it appears that the anticipated sources of support qualify the corporation as a public charity. At the end of a 5-year period, the IRS will review the financial records of the corporation. If the public support over this period satisfies either of the public charity support tests, the corporation will receive a definitive ruling to that effect. If the public support received by the corporation fails both of the public support tests, the corporation will be classified as a private foundation and have to pay a 2%

excise tax on its investment income for those years. The advance ruling is sought by submitting Form 872-C.

Line 12 requires that any unusual grants be disclosed at this time. The purpose of disclosing unusual grants is such grants are not used in calculating total or public support under the support tests for public charities.

Line 13 is completed only by a corporation that is seeking a definitive ruling under the public support test. If the corporation is seeking an advance ruling instead (which most corporations should seek), this line is left blank.

Line 14 is completed by a corporation which is only seeking a definitive ruling under the general support test. If the corporation is seeking an advance ruling instead (which most corporations should seek), this line is left blank.

On Line 15 each question must be answered with a truthful "yes" or "no" concerning the applicant. If any question is answered "yes," the appropriate schedule must also be attached. Generally, most nonprofit corporations which will be formed using this book will answer "no" to all of the questions. The possible exception would be a nonprofit corporation that is going to act as a private operating foundation. Such a corporation will have to complete Schedule E.

D. PART IV. FINANCIAL DATA

Part 4 of Form 1023 provides the financial data from which the IRS will make its determination of whether or not the corporation should receive a tax exemption. There will be no hard financial

data for the newly formed corporations. The corporation can submit projected financial data, and the IRS will base its determination on that data.

Instructions for completing Part 4 are covered in Form 1023. The point to remember in completing Part 4 is that although the information is an estimate, it must be reasonable. If reasonable, the IRS will base a determination upon this information.

Another point to bear in mind when completing this application is that if the organization is not shown to meet the minimum support standards for a public charity, the application to receive a tax exemption as a public charity will be denied. Should denial occur, the group should consider a plan to increase projected fund-raising activities to meet the minimums or plan to apply for tax exemption as a private operating foundation. Obtain IRS Publication 558 from the IRS by calling 1-800-TAX FORM.

VI. FORMS AND INSTRUCTION

Instruction manuals with inclusive forms entitled Publication 557 "Tax Exempt Status for Your Organization" and Package 1023 "Application for Recognition for Exemption" are available from the U. S. Government Printing Office in Washington, D. C. or through the IRS. Forms that follow herein are:

1. Form 8718 "User Fee for Exempt Organization Determination Letter Request"
2. Form SS-4 "Application for Employer Identification Number"

**User Fee for Exempt Organization
Determination Letter Request**

▶ **Attach this form to determination letter application.**
(Form 8718 is NOT a determination letter application.)

For IRS Use Only

Control number _____

Amount paid _____

User fee screener _____

1 Name of organization _____

2 Employer Identification Number _____

Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

3 Type of request

Fee

a ☐ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶

\$150

Note: If you checked box 3a, you must complete the Certification below.

Certification

I certify that the annual gross receipts of _____
name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶

Title ▶

b ☐ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . ▶

\$500

c ☐ Group exemption letters ▶ **\$500**

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 2000-8, 2000-1, I.R.B. 230.

Check the box or boxes on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the United States Treasury for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Send the determination letter application and Form 8718 to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Attach Check or Money Order Here





Department of the Treasury
Internal Revenue Service

SAMPLE FURNISHED BY ATTORNEY ET AL

Application for Recognition of Exemption

Under Section
501(c)(3) of the
Internal Revenue Code

Contents:

Form 1023 and
Instructions
Form 872-C

Note: *For the addresses for filing **Form 1023**,
see **Form 8718**, User Fee for Exempt
Organization Determination Letter Request.*

*For obtaining an employer identification number
(EIN), see **Form SS-4**, Application for Employer
Identification Number.*

Package 1023
(Rev. September 1998)



Department of the Treasury Internal Revenue Service

Instructions for Form 1023

(Revised September 1998)

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Note: Retain a copy of the completed Form 1023 in the organization's permanent records. See **Public Inspection of Form 1023** regarding public inspection of approved applications.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

User Fee.—Submit with the Form 1023 application for a determination letter, a **Form 8718**, User Fee for Exempt Organization Determination Letter Request, and the user fee called for in the Form 8718. You may obtain Form 8718, and additional forms and publications, through your local IRS office or by calling 1-800-829-3676 (1-800-TAX-FORM). User fees are subject to change on an annual basis. Therefore, be sure that you use the most current Form 8718.

Helpful information.—For additional information, see:

- **Pub. 557**, Tax-Exempt Status for Your Organization
- **Pub. 598**, Tax on Unrelated Business Income of Exempt Organizations
- **Pub. 578**, Tax Information for Private Foundations and Foundation Managers
- **Internet site**, www.irs.ustreas.gov/bus_info/eo/

Purpose of Form

1. Completed Form 1023 required for section 501(c)(3) exemption.—Unless it meets one of the exceptions in 2 below, any organization formed after October 9, 1969, must file a Form 1023 to qualify as a section 501(c)(3) organization.

The IRS determines if an organization is a private foundation from the information entered on a Form 1023.

2. Organizations not required to file Form 1023.—The following types of organizations may be considered tax-exempt under section 501(c)(3) even if they do not file Form 1023:

1. Churches,
2. Integrated auxiliaries of churches, and conventions or associations of churches, or
3. Any organization that:
 - (a) Is not a private foundation (as defined in section 509(a)), and
 - (b) Has gross receipts in each taxable year of normally not more than \$5,000.

Even if the above organizations are not required to file Form 1023 to be tax-exempt, these organizations may choose to file Form 1023 in order to receive a determination letter that recognizes their section 501(c)(3) status.

Section 501(c)(3) status provides certain incidental benefits such as:

- Public recognition of tax-exempt status.
- Advance assurance to donors of deductibility of contributions.
- Exemption from certain state taxes.
- Exemption from certain Federal excise taxes.
- Nonprofit mailing privileges, etc.

3. Other organizations.—Section 501(e) and (f) cooperative service organizations, section 501(k) child care organizations, and section

501(n) charitable risk pools use Form 1023 to apply for a determination letter under section 501(c)(3).

4. Group exemption letter.—Generally, Form 1023 is not used to apply for a group exemption letter. See Pub. 557 for information on how to apply for a group exemption letter.

What To File

All applicants must complete pages 1 through 9 of Form 1023. These organizations must also complete the schedules or form indicated:

1. Churches Schedule A
2. Schools Schedule B
3. Hospitals and Medical Research Schedule C
4. Supporting Organizations (509(a)(3)) Schedule D
5. Private Operating Foundations Schedule E
6. Homes for the Aged or Handicapped Schedule F
7. Child Care Schedule G
8. Scholarship Benefits or Student Aid Schedule H
9. Organizations that have taken over or will take over a "for profit" institution Schedule I
10. Organizations requesting an advance ruling in Part III, Line 10 Form 872-C

Attachments.—For any attachments submitted with Form 1023.—

- Show the organization's name, address, and employer identification number (EIN).
- Identify the Part and line item number to which the attachment relates.
- Use 8½ x 11 inch paper for any attachments.
- Include any court decisions, rulings, opinions, etc., that will expedite processing of the application. Generally, attachments in the form of tape recordings are not acceptable unless accompanied by a transcript.

When To File

An organization formed after October 9, 1969, must file Form 1023 to be recognized as an organization described in section 501(c)(3). Generally, if an organization files its application within 15 months after the end of the month in which it was formed, and if the IRS approves the application, the effective date of the organization's section 501(c)(3) status will be the date it was organized.

Generally, if an organization does not file its application (Form 1023) within 15 months after the end of the month in which it was formed, it will not qualify for exempt status during the period before the date of its application. For exceptions and special rules, including automatic extensions in some cases, see Part III of Form 1023.

The date of receipt of the Form 1023 is the date of the U.S. postmark on the cover in which an exemption application is mailed or, if no postmark appears on the cover, the date the application is stamped as received by the IRS.

Private delivery services.—See the instructions for your income tax return for information on certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying rule." The private delivery service can tell you how to get written proof of the mailing date.

Caution: Private delivery services cannot deliver items to P.O. boxes. You must use the U. S. Postal Service to mail any item to an IRS P.O. box address. See the Form 8718 for the P.O. box address as well as the express mail or a delivery service address.

Where To File

File the completed Form 1023 application, and all required information, with the IRS at the address shown in Form 8718.

The IRS will determine the organization's tax-exempt status and whether any annual returns must be filed.

Signature Requirements

An officer, a trustee who is authorized to sign, or another person authorized by a power of attorney, must sign the Form 1023 application. Attach a power of attorney to the application. You may use **Form 2848**, Power of Attorney and Declaration of Representative, for this purpose.

Deductibility of Contributions

Donors can take a charitable contribution deduction if their gift or bequest is made to a section 501(c)(3) organization.

The effective date of an organization's section 501(c)(3) status determines the date that contributions to it are deductible by donors. (See **When To File** on page 1.)

Contributions by U.S. residents to foreign organizations generally are not deductible. Tax treaties between the U.S. and certain foreign countries provide limited exceptions. Foreign organizations (other than those in Canada or Mexico) that claim eligibility to receive contributions deductible by U.S. residents must attach an English copy of the U.S. tax treaty that provides for such deductibility.

Appeal Procedures

The organization's application will be considered by the IRS which will either:

1. Issue a favorable determination letter;
2. Issue a proposed adverse determination letter denying the exempt status requested; or
3. Refer the case to the National Office.

If the IRS sends you a proposed adverse determination, it will advise you of your appeal rights at that time.

Language and Currency Requirements

Language requirements.—Prepare the Form 1023 and attachments in English. Provide an English translation if the organizational document or bylaws are in any other language.

You may be asked to provide English translations of foreign language publications that the organization produces or distributes and that are submitted with the application.

Financial requirements.—Report all financial information in U.S. dollars (specify the conversion rate used). Combine amounts from within and outside the United States and report the total for each item on the financial statements.

For example:

Gross Investment Income	
From U.S. sources	\$4,000
From non-U.S. sources	1,000
Amount to report on income statement	\$5,000

Annual Information Return

If an annual information return is due while the organization's application for recognition of exempt status is pending with the IRS (including any appeal of a proposed adverse determination), the organization should file at the following address:

Internal Revenue Service
Ogden Service Center
Ogden, Utah 84201-0027

- **Form 990**, Return of Organization Exempt From Income Tax, **or**
- **Form 990-EZ**, Short Form Return of Organization Exempt From Income Tax, **and**,
- **Schedule A (Form 990)**, Organization Exempt Under Section 501(c)(3), **or**
- **Form 990-PF**, Return of Private Foundation, if the organization acknowledges it is a private foundation, **and**

Indicate that an application is pending.

If an organization has unrelated business income of more than \$1,000, file **Form 990-T**, Exempt Organization Business Income Tax Return.

Public Inspection of Form 1023

Caution: Note the discussion below for the potential effect of the *Taxpayer Bill of Rights 2 (TBOR2)* on these instructions.

IRS responsibilities for public inspection.—If the organization's application for section 501(c)(3) status is approved, the following items will be open to public inspection in any District office and at the National Office of the IRS (section 6104):

1. The organization's application and any supporting documents.
2. Any letter or other document issued by the IRS with regard to the application.

Note that the following items are not available for public inspection:

1. Any information relating to a trade secret, patent, style of work, or apparatus that, if released, would adversely affect the organization, or

2. Any other information that would adversely affect the national defense.

IMPORTANT: Applicants must identify this information by clearly marking it, "NOT SUBJECT TO PUBLIC INSPECTION," and must attach a statement to explain why the organization asks that the information be withheld. If the IRS agrees, the information will be withheld.

Organization's responsibilities for public inspection.—The organization must make available a copy of its approved application and supporting documents, along with any document or letter issued by the IRS for public inspection.

These documents must be available during regular business hours at the organization's principal office and at each of its regional or district offices having at least three paid employees. See Notice 88-120, 1988-2 C.B. 454.

A penalty of \$20 a day will be imposed on any person under a duty to comply with the public inspection requirements for each day a failure to comply continues.

Furnishing copies of documents under TBOR2.—The Taxpayer Bill of Rights 2 (TBOR2), enacted July 30, 1996, modified prospectively the section 6685 penalty and the rules for the public inspection of returns and exemption applications. An organization must furnish a copy of its Form 990, Form 990-EZ, or exemption application, and certain related documents, if a request is made in writing or in person.

For a request made in person, the organization must make an immediate response.

For a response to a written request, the organization must provide the requested copies within 30 days.

The organization must furnish copies of its Forms 990, or Forms 990-EZ, for any of its 3 most recent taxable years. No charge is to be made other than charging a reasonable fee for reproduction and actual postage costs.

An organization need not provide copies if:

1. The organization has made the requested documents widely available in a manner provided in Treasury regulations, or
2. The Secretary of the Treasury determined, upon application by the organization, that the organization was subject to a harassment campaign such that a waiver of the obligation to provide copies would be in the public interest.

Penalty for failure to allow public inspection or provide copies.—The section 6685 penalty for willful failure to allow public inspections or provide copies is increased from the present-law level of \$1,000 to \$5,000 by TBOR2.

Effective date of TBOR2.—These public inspection provisions governing tax-exempt organizations under TBOR2 generally apply to requests made no earlier than 60 days after the date on which the Treasury Department publishes the regulations required under the provisions. However, Congress, in the legislative history of TBOR2, indicated that organizations would comply voluntarily with the public inspection provisions prior to the issuance of such regulations.

Special Rule for Canadian Colleges and Universities

A Canadian college or university that received **Form T2051**, Notification of Registration, from Revenue Canada (Department of National Revenue, Taxation) and whose registration has not been revoked, does not need to complete all parts of Form 1023.

Such an organization must complete only Part I of Form 1023 and Schedule B (Schools, Colleges, and Universities). It must attach a copy of its **Form T2050**, Application for Registration, together with all the required attachments submitted to Revenue Canada. It must furnish an English translation if any attachments were prepared in French.

Other Canadian organizations.—Other Canadian organizations that seek a determination of section 501(c)(3) status must complete Form 1023 in the same manner as U.S. organizations.

Specific Instructions

The following instructions are keyed to the line items on the application form:

Part I. Identification of Applicant

Line 1. Full name and address of organization.—Enter the organization's name exactly as it appears in its creating document including amendments. Show the other name in parentheses, if the organization will be operating under another name.

For a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice in placing the postal code in the address. **Do not** abbreviate the country name.

Line 2. Employer identification number (EIN).—All organizations must have an EIN. Enter the nine-digit EIN the IRS assigned to the organization. See **Form SS-4**, Application for Employer Identification Number, for information on how to obtain an EIN immediately by telephone, if the organization does not have an EIN. Enter, "applied for," if the organization has applied for an EIN number previously. Attach a statement giving the date of the application and the office where it was filed. **Do not** apply for an EIN more than once.

Line 3. Person to contact.—Enter the name and telephone number of the person to contact during business hours if more information is needed. The contact person should be an officer, director, or a person with power of attorney who is familiar with the organization's activities and is authorized to act on its behalf. Attach Form 2848 or other power of attorney.

Line 4. Month the annual accounting period ends.—Enter the month the organization's annual accounting period ends. The accounting period is usually the 12-month period that is the organization's tax year. The organization's first tax year depends on the accounting period chosen. The first tax year could be less than 12 months.

Line 5. Date formed.—Enter the date the organization became a legal entity. For a corporation, this is the date that the articles of incorporation were approved by the appropriate state official. For an unincorporated organization, it is the date its constitution or articles of association were adopted.

Line 6.—Indicate if the organization is one of the following:

- 501(e) Cooperative hospital service organization
- 501(f) Cooperative service organization of operating educational organization
- 501(k) Organization providing child care
- 501(n) Charitable risk pool

If none of the above applies, make no entry on line 6.

Line 7.—Indicate if the organization has ever filed a Form 1023 or **Form 1024**, Application for Recognition of Exemption Under Section 501(a), with the IRS.

Line 8.—If the organization for which this application is being filed is a private foundation, answer "N/A." If the organization is not required to file Form 990 (or Form 990-EZ) and is not a private foundation, answer "No" and attach an explanation. See the Instructions for Form 990 and Form 990-EZ for a discussion of organizations not required to file Form 990 (or Form 990-EZ). Otherwise, answer "Yes."

Line 9.—Indicate if the organization has ever filed Federal income tax returns as a taxable organization or filed returns as an exempt organization (e.g., Form 990, 990-EZ, 990-PF, or 990-T).

Line 10. Type of organization and organizational documents.—

Organizing instrument.—Submit a conformed copy of the organizing instrument. If the organization does not have an organizing instrument, it will not qualify for exempt status.

A conformed copy is one that agrees with the original and all amendments to it. The conformed copy may be:

- A photocopy of the original signed and dated organizing document, OR
- A copy of the organizing document that is unsigned but is sent with a written declaration, signed by an authorized individual, that states that the copy is a complete and accurate copy of the original signed and dated document.

Corporation.—In the case of a corporation, a copy of the articles of incorporation, approved and dated by an appropriate state official, is sufficient by itself.

If an unsigned copy of the articles of incorporation is submitted, it must be accompanied by the written declaration discussed above.

Signed, or unsigned, copies of the articles of incorporation must be accompanied by a declaration stating that the original copy of the articles was filed with, and approved by, the state. The date filed must be specified.

Unincorporated association.—In the case of an unincorporated association, the conformed copy of the constitution, articles of association, or other organizing document must indicate, in the document itself, or in a written declaration, that the organization was formed by the adoption of the document by two or more persons.

Bylaws.—If the organization has adopted bylaws, include a current copy. The bylaws do not need to be signed if they are submitted as an attachment to the Form 1023 application. The bylaws of an organization alone are not an organizing instrument. They are merely the internal rules and regulations of the organization.

Trust.—In the case of a trust, a copy of the signed and dated trust instrument must be furnished.

Dissolution clause.—For an organization to qualify for exempt status, its organizing instrument must contain a proper dissolution clause, or state law must provide for distribution of assets for one or more section 501(c)(3) purposes upon dissolution. If the organization is relying on state law, provide the citation for the law and briefly state the law's provisions in an attachment. Foreign organizations must provide the citation for the foreign statute and attach a copy of the statute along with an English language translation.

See Pub. 557 for a discussion of dissolution clauses under the heading, **Articles of Organization, Dedication and Distribution of Assets**. Examples of dissolution clauses are shown in the sample organizing instruments given in that publication.

Organizational purposes.—The organizing instrument must specify the organizational purposes of the organization. The purposes specified must be limited to one or more of those given in section 501(c)(3). See Pub. 557 for detailed instructions and for sample organizing instruments that satisfy the requirements of section 501(c)(3) and the related regulations.

Part II. Activities and Operational Information

Line 1.—It is important that you report all activities carried on by the organization to enable the IRS to make a proper determination of the organization's exempt status.

Line 2.—If it is anticipated that the organization's principal sources of support will increase or decrease substantially in relation to the organization's total support, attach a statement describing anticipated changes and explaining the basis for the expectation.

Line 3.—For purposes of providing the information requested on line 3, "fundraising activity" includes the solicitation of contributions and both functionally related activities and unrelated business activities. Include a description of the nature and magnitude of the activities.

Line 4a.—Furnish the mailing addresses of the organization's principal officers, directors, or trustees. Do not give the address of the organization.

Line 4b.—The annual compensation includes salary, bonus, and any other form of payment to the individual for services while employed by the organization.

Line 4c.—Public officials include anyone holding an elected position or anyone appointed to a position by an elected official.

Line 4d.—For purposes of this application, a "disqualified person" is any person who, if the applicant organization were a private foundation, is:

1. A "substantial contributor" to the foundation (defined below);
2. A foundation manager;
3. An owner of more than 20% of the total combined voting power of a corporation that is a substantial contributor to the foundation;
4. A "member of the family" of any person described in 1, 2, or 3 above;
5. A corporation, partnership, or trust in which persons described in 1, 2, 3, or 4 above, hold more than 35% of the combined voting power, the profits interest, or the beneficial interests; and
6. Any other private foundation that is effectively controlled by the same persons who control the first-mentioned private foundation or any other private foundation substantially all of whose contributions were made by the same contributors.

A substantial contributor is any person who gave a total of more than \$5,000 to the organization, and those contributions are more than 2% of all the contributions and bequests received by the organization from the date it was created up to the end of the year the contributions by the substantial contributor were received. A creator of a trust is treated as a substantial contributor regardless of the amount contributed by that person or others.

See Pub. 578 for more information on "disqualified persons."

Line 5.—If your organization controls or is controlled by another exempt organization or a taxable organization, answer “Yes.” “Control” means that:

1. Fifty percent (50%) or more of the filing organization’s officers, directors, trustees, or key employees are also officers, directors, trustees, or key employees of the second organization being tested for control;

2. The filing organization appoints 50% or more of the officers, directors, trustees, or key employees of the second organization; or

3. Fifty percent (50%) or more of the filing organization’s officers, directors, trustees, or key employees are appointed by the second organization.

Control exists if the 50% test is met by any one group of persons even if collectively the 50% test is not met. Examples of special relationships are common officers and the sharing of office space or employees.

Line 6.—If the organization conducts any financial transactions (either receiving or distributing cash or other assets), or nonfinancial activities with an exempt organization (other than a 501(c)(3) organization), or with a political organization, answer “Yes,” and explain.

Line 7.—If the organization must report its income and expense activity to any other organization (tax-exempt or taxable entity), answer “Yes.”

Line 8.—Examples of assets used to perform an exempt function are: land, building, equipment, and publications. Do not include cash or property producing investment income. If you have no assets used in performing the organization’s exempt function, answer “N/A.”

Line 10a.—If the organization is managed by another exempt organization, a taxable organization, or an individual, answer “Yes.”

Line 10b.—If the organization leases property from anyone or leases any of its property to anyone, answer “Yes.”

Line 11.—A membership organization for purposes of this question is an organization that is composed of individuals or organizations who:

1. Share in the common goal for which the organization was created;
2. Actively participate in achieving the organization’s purposes; and
3. Pay dues.

Line 12.—Examples of benefits, services, and products are: meals to homeless people, home for the aged, a museum open to the public, and a symphony orchestra giving public performances.

Note: *Organizations that provide low-income housing should see Rev. Proc. 96-32, 1996-1 C.B. 717, for a “safe harbor” and an alternative facts and circumstances test to be used in completing line 12.*

Line 13.—An organization is attempting to influence legislation if it contacts or urges the public to contact members of a legislative body, for the purpose of proposing, supporting, or opposing legislation, or if it advocates the adoption or rejection of legislation.

If you answer “Yes,” you may want to file **Form 5768**, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation.

Line 14.—An organization is intervening in a political campaign if it promotes or opposes the candidacy or prospective candidacy of an individual for public office.

Part III. Technical Requirements

Line 1.—If you check “Yes,” proceed to line 7. If you check “No,” proceed to line 2.

Line 2a.—To qualify as an integrated auxiliary, an organization must not be a private foundation and must satisfy the affiliation and support tests of Regulations section 1.6033-2(h).

Line 3.—Relief from the 15-month filing requirement is granted automatically if the organization submits a completed Form 1023 within 12 months from the end of the 15-month period.

To get this extension, an organization must add the following statement at the top of its application: “Filed Pursuant to Section 301.9100-2.” No request for a letter ruling is required to obtain an automatic extension.

Line 4.—See Regulation sections 301.9100-1 and 301.9100-3 for information about a discretionary extension beyond the 27-month period. Under these regulations, the IRS will allow an organization a reasonable extension of time to file a Form 1023 if it submits evidence to establish that:

- (a) It acted reasonably and in good faith, and

(b) Granting relief will not prejudice the interests of the government.

Showing reasonable action and good faith.—An organization acted reasonably and showed good faith if at least one of the following is true.

1. The organization filed its application before the IRS discovered its failure to file.

2. The organization failed to file because of intervening events beyond its control.

3. The organization exercised reasonable diligence but was not aware of the filing requirement.

To determine whether the organization exercised reasonable diligence, it is necessary to take into account the complexity of filing and the organization’s experience in these matters.

4. The organization reasonably relied upon the written advice of the IRS.

5. The organization reasonably relied upon the advice of a qualified tax professional who failed to file or advise the organization to file Form 1023. An organization cannot rely on the advice of a qualified tax professional if it knows or should know that he or she is not competent to render advice on filing exemption applications or is not aware of all the relevant facts.

Not acting reasonably and in good faith.—An organization has not acted reasonably and in good faith if it chose not to file after being informed of the requirement to file and the consequences of failure to do so. Furthermore, an organization has not acted reasonably and in good faith if it used hindsight to request an extension of time to file. That is, if after the original deadline to file passes, specific facts have changed so that filing an application becomes advantageous to an organization, the IRS will not ordinarily grant an extension. To qualify for an extension in this situation, the organization must prove that its decision to file did not involve hindsight.

No prejudice to the interest of the government.—Prejudice to the interest of the government results if granting an extension of time to file to an organization results in a lower total tax liability for the years to which the filing applies than would have been the case if the organization had applied on time. Before granting an extension, the IRS may require the organization requesting it to submit a statement from an independent auditor certifying that no prejudice will result if the extension is granted.

Procedure for requesting extension.—To request a discretionary extension, an organization must submit the following with its Form 1023:

- A statement showing the date Form 1023 should have been filed and the date it was actually filed.
- An affidavit describing in detail the events that led to the failure to apply and to the discovery of that failure. If the organization relied on a qualified tax professional’s advice, the affidavit must describe the engagement and responsibilities of the professional and the extent to which the organization relied on him or her.
- All documents relevant to the election application.
- A dated declaration, signed by an individual authorized to act for the organization, that includes the following statement: “Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.”
- A detailed affidavit from individuals having knowledge or information about the events that led to the failure to make the application and to the discovery of that failure. These individuals include accountants or attorneys knowledgeable in tax matters who advised the organization concerning the application. Any affidavit from a tax professional must describe the engagement and responsibilities of the professional as well as the advice that the professional provided to the organization. The affidavit must also include the name, current address, and taxpayer identification number of the individual making the affidavit (the affiant). The affiant must also forward with the affidavit a dated and signed declaration that states: “Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.”

The reasons for late filing should be specific to your particular organization and situation. Regulation section 301.9100-3 (see above) lists the factors the IRS will consider in determining if good cause exists for granting a discretionary extension of time to file the application. To address these factors, your response for line 4 should provide the following information:

1. Whether the organization consulted an attorney or accountant knowledgeable in tax matters or communicated with a responsible IRS employee (before or after the organization was created) to ascertain the organization's Federal filing requirements and, if so, the names and occupations or titles of the persons contacted, the approximate dates, and the substance of the information obtained;

2. How and when the organization learned about the 15-month deadline for filing Form 1023;

3. Whether any significant intervening circumstances beyond the organization's control prevented it from submitting the application timely or within a reasonable period of time after it learned of the requirement to file the application within the 15-month period; and

4. Any other information that you believe may establish reasonable action and good faith and no prejudice to the interest of the government for not filing timely or otherwise justify granting the relief sought.

A request for relief under this section is treated as part of the request for the exemption determination letter and is covered by the user fee submitted with Form 8718.

Line 5.—If you answer "No," the organization may receive an adverse letter limiting the effective date of its exempt status to the date its application was received.

Line 6.—The organization may still be able to qualify for exemption under section 501(c)(4) for the period preceding the effective date of its exemption as a section 501(c)(3) organization. If the organization is qualified under section 501(c)(4) and page 1 of Form 1024 is filed as directed, the organization will not be liable for income tax returns as a taxable entity. Contributions to section 501(c)(4) organizations are generally not deductible by donors as charitable contributions.

Line 7.—Private foundations are subject to various requirements, restrictions, and excise taxes under Chapter 42 of the Code that do not apply to public charities. Also, contributions to private foundations may receive less favorable treatment than contributions to public charities. See Pub. 578. Therefore, it is usually to an organization's advantage to show that it qualifies as a public charity rather than as a private foundation if its activities or sources of support permit it to do so. Unless an organization meets one of the exceptions below, it is a private foundation. In general, an organization is **not** a private foundation if it is:

1. A church, school, hospital, or governmental unit;
2. A medical research organization operated in conjunction with a hospital;
3. An organization operated for the benefit of a college or university that is owned or operated by a governmental unit;
4. An organization that normally receives a substantial part of its support in the form of contributions from a governmental unit or from the general public as provided in section 170(b)(1)(A)(vi);
5. An organization that normally receives not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts related to its exempt functions (subject to certain exceptions) as provided in section 509(a)(2);
6. An organization operated solely for the benefit of, and in connection with, one or more organizations described above (or for the benefit of one or more of the organizations described in section 501(c)(4), (5), or (6) of the Code and also described in 5 above), but not controlled by disqualified persons other than foundation managers, as provided in section 509(a)(3); or
7. An organization organized and operated to test for public safety as provided in section 509(a)(4).

Line 8.—Basis for private operating foundation status: (Complete this line **only** if you answered "Yes" to the question on line 7.)

A "private operating foundation" is a private foundation that spends substantially all of its adjusted net income or its minimum investment return, whichever is less, directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated.

The foundation must satisfy the income test and one of the three supplemental tests: (1) the assets test; (2) the endowment test; or (3) the support test. For additional information, see Pub. 578.

Line 9.—Basis for nonprivate foundation status: Check the box that shows why your organization is not a private foundation.

Box (a). *A church or convention or association of churches.*

Box (b). *A school.*—See the definition in the instructions for Schedule B.

Box (c). *A hospital or medical research organization.*—See the instructions for Schedule C.

Box (d). *A governmental unit.*—This category includes a state, a possession of the United States, or a political subdivision of any of the foregoing, or the United States, or the District of Columbia.

Box (e). *Organizations operated in connection with or solely for organizations described in (a) through (d) or (g), (h), and (i).*—The organization must be organized and operated for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in section 509(a)(1) or (2). It must be operated, supervised, or controlled by or in connection with one or more of the organizations described in the instructions for boxes (a) through (d) or (g), (h), and (i). It must not be controlled directly or indirectly by disqualified persons (other than foundation managers or organizations described in section 509(a)(1) or (2)). To show whether the organization satisfies these tests, complete Schedule D.

Box (f). *An organization testing for public safety.*—An organization in this category is one that tests products to determine their acceptability for use by the general public. It does not include any organization testing for the benefit of a manufacturer as an operation or control in the manufacture of its product.

Box (g). *Organization for the benefit of a college or university owned or operated by a governmental unit.*—The organization must be organized and operated exclusively for the benefit of a college or university that:

- Is an educational organization within the meaning of section 170(b)(1)(A)(ii) and is an agency or instrumentality of a state or political subdivision of a state;
- Is owned or operated by a state or political subdivision of a state; OR
- Is owned or operated by an agency or instrumentality of one or more states or political subdivisions.

The organization must also normally receive a substantial part of its support from the United States or any state or political subdivision of a state, or from direct or indirect contributions from the general public or from a combination of these sources.

An organization described in section 170(b)(1)(A)(iv) will be subject to the same publicly supported rules that are applicable to 170(b)(1)(A)(vi) organizations described in box (h) below.

Box (h). *Organization receiving support from a governmental unit or from the general public.*—The organization must receive a substantial part of its support from the United States or any state or political subdivision, or from direct or indirect contributions from the general public, or from a combination of these sources.

The organization may satisfy the support requirement in either of two ways.

(1) It will be treated as publicly supported if the support it normally receives from the above-described governmental units and the general public equals at least one-third of its total support.

(2) It will also be treated as publicly supported if the support it normally receives from governmental or public sources equals at least 10% of total support and the organization is set up to attract new and additional public or governmental support on a continuous basis.

If the organization's governmental and public support is at least 10%, but not over one-third of its total support, the questions on lines 1 through 14 of Part II will apply to determine both the organization's claim of exemption and whether it is publicly supported. Preparers should exercise care to assure that those questions are answered in detail.

Box (i). *Organization described in section 509(a)(2).*—The organization must satisfy the support test under section 509(a)(2)(A) and the gross investment income test under section 509(a)(2)(B).

To satisfy the support test, the organization must normally receive more than one-third of its support from: (a) gifts, grants, contributions, or membership fees, and (b) gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in an activity that is not an unrelated trade or business (subject to certain limitations discussed below).

This one-third of support must be from organizations described in section 509(a)(1), governmental sources, or persons other than disqualified persons.

In computing gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities in an activity that is not an unrelated trade or business, the gross receipts from any one person or from any bureau or similar agency of a governmental unit are includible only to the extent they do not exceed the greater of \$5,000 or 1% of the organization's total support.

To satisfy the gross investment income test, the organization must not receive more than one-third of its support from gross investment income.

Box (j).—If you believe the organization meets the public support test of section 170(b)(1)(A)(vi) or 509(a)(2) but are uncertain as to which public support test it satisfies, check box (j). By checking this box, you are claiming that the organization is not a private foundation and are agreeing to let the IRS compute the public support of your organization and determine the correct foundation status.

Line 10.—An organization must complete a tax year consisting of at least 8 months to receive a definitive (final) ruling under sections 170(b)(1)(A)(vi) and 509(a)(1), or under section 509(a)(2).

However, organizations that checked box (h), (i), or (j) on line 9 that do not meet the 8-month requirement must request an advance ruling that covers their first 5 tax years instead of requesting a definitive ruling.

An organization that meets the 8-month requirement has two options:

1. It may request a definitive ruling. The organization's public support computation will be based on the support the organization has received to date; or

2. It may request an advance ruling. The organization's public support computation will be based on the support it receives during its first 5 tax years.

An organization should consider the advance ruling option if it has not received significant public support during its first tax year or during its first and second tax years, but it reasonably expects to receive such support by the end of its fifth tax year.

An organization that receives an advance ruling is treated, during the 5-year advance ruling period, as a public charity (rather than a private foundation) for certain purposes, including those relating to the deductibility of contributions by the general public.

Line 11.—For definition of an unusual grant, see instructions for Part IV-A, line 12.

Line 12.—Answer this question only if you checked box (g), (h), or (j) on line 9.

Line 13.—Answer the question on this line only if you checked box (i) or (j) on line 9 and are requesting a definitive ruling on line 10.

Line 14.—Answer "Yes" or "No" on each line. If "Yes," you must complete the appropriate schedule. Each schedule is included in this application package with accompanying instructions. For a brief definition of each type of organization, see the appropriate schedule.

Part IV. Financial Data

Complete the Statement of Revenue and Expenses for the current year and each of the 3 years immediately before it (or the years the organization has existed, if less than 4).

Any applicant that has existed for less than 1 year must give financial data for the current year and proposed budgets for the following 2 years.

The IRS may request financial data for more than 4 years if necessary.

All financial information for the current year must cover the period beginning on the first day of the organization's established annual accounting period and ending on any day that is within 60 days of the date of this application.

If the date of this application is less than 60 days after the first day of the current accounting period, no financial information is required for the current year.

Financial information is required for the 3 preceding years regardless of the current year requirements. Please note that if no financial information is required for the current year, the preceding year's financial information can end on any day that is within 60 days of the date of this application.

Prepare the statements using the method of accounting and the accounting period (entered on line 4 of Part I) the organization uses in keeping its books and records. If the organization uses a method other than the cash receipts and disbursements method, attach a statement explaining the method used.

A. Statement of Revenue and Expenses

Line 1.—Do not include amounts received from the general public or a governmental unit for the exercise or performance of the organization's exempt function. However, include payments made by a governmental unit to enable the organization to provide a service to the general public.

Do not include unusual grants. See the explanation for unusual grants in Line 12 of this section.

Line 2.—Include amounts received from members for the purpose of providing support to the organization. These are considered as contributions. Do not include payments to purchase admissions, merchandise, services, or use of facilities.

Line 3.—Include on this line the income received from dividends, interest, and payments received on securities loans, rents, and royalties.

Line 4.—Enter the organization's net income from any activities that are regularly carried on and are not related to the organization's exempt purposes.

Examples of such income include fees from the commercial testing of products; income from renting office equipment or other personal property; and income from the sale of advertising in an exempt organization's periodical. See Pub. 598 for information about unrelated business income and activities.

Line 5.—Enter the amount collected by the local tax authority from the general public that has been allocated for your organization.

Line 6.—To report the value of services and/or facilities furnished by a governmental unit, use the fair market value at the time the service/facility was furnished to your organization. Do not include any other donated services or facilities in Part IV.

Line 7.—Enter the total income from all sources that is not reported on lines 1 through 6, or lines 9, 11, and 12. Attach a schedule that lists each type of revenue source and the amount derived from each.

Line 9.—Include income generated by the organization's exempt function activities (charitable, educational, etc.) and its nontaxable fundraising events (excluding any contributions received).

Examples of such income include the income derived by a symphony orchestra from the sale of tickets to its performances; and raffles, bingo, or other fundraising-event income that is not taxable as unrelated business income because the income-producing activities are not regularly carried on or because they are conducted with substantially all (at least 85%) volunteer labor. Record related cost of sales on line 22, Other.

Line 11.—Attach a schedule that shows a description of each asset, the name of the person to whom sold, and the amount received. In the case of publicly traded securities sold through a broker, the name of the purchaser is not required.

Line 12.—Unusual grants generally consist of substantial contributions and bequests from disinterested persons that:

1. Are attracted by reason of the publicly supported nature of the organization;
2. Are unusual and unexpected as to the amount; and
3. Would, by reason of their size, adversely affect the status of the organization as normally meeting the support test of section 170(b)(1)(A)(vi) or section 509(a)(2), as the case may be.

If the organization is awarded an unusual grant and the terms of the granting instrument provide that the organization will receive the funds over a period of years, the amount received by the organization each year under the grant may be excluded. See the regulations under sections 170 and 509.

Line 14.—Fundraising expenses represent the total expenses incurred in soliciting contributions, gifts, grants, etc.

Line 15.—Attach a schedule showing the name of the recipient, a brief description of the purposes or conditions of payment, and the amount paid. The following example shows the format and amount of detail required for this schedule:

Recipient	Purpose	Amount
Museum of Natural History	General operating budget	\$29,000
State University	Books for needy students	14,500
Richard Roe	Educational scholarship	12,200

Colleges, universities, and other educational institutions and agencies subject to the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) are not required to list the names of individuals who were provided scholarships or other financial assistance where such disclosure would violate the privacy provisions of the law. Instead, such organizations should group each type of financial aid provided, indicate the number of individuals who received the aid, and specify the aggregate dollar amount.

Line 16.—Attach a schedule showing the name of each recipient, a brief description of the purposes or condition of payment, and amount paid. Do not include any amounts that are on line 15. The schedule should be similar to the schedule shown in the line 15 instructions above.

Line 17.—Attach a schedule that shows the name of the person compensated; the office or position; the average amount of time devoted to the organization's affairs per week, month, etc.; and the amount of annual compensation. The following example shows the format and amount of detail required:

Name	Position	Time devoted	Annual salary
Philip Poe	President and general manager	16 hrs. per wk.	\$27,500

Line 18.—Enter the total of employees' salaries not reported on line 17.

Line 19.—Enter the total interest expense for the year, excluding mortgage interest treated as if an occupancy expense on line 20.

Line 20.—Enter the amount paid for the use of office space or other facilities, heat, light, power, and other utilities, outside janitorial services, mortgage interest, real estate taxes, and similar expenses.

Line 21.—If your organization records depreciation, depletion, and similar expenses, enter the total.

Line 22.—Attach a schedule listing the type and amount of each **significant** expense for which a separate line is not provided. Report other miscellaneous expenses as a single total if not substantial in amount.

B. Balance Sheet

Line 1.—Enter the total cash in checking and savings accounts, temporary cash investments (money market funds, CDs, treasury bills, or other obligations that mature in less than 1 year), change funds, and petty cash funds.

Line 2.—Enter the total accounts receivable that arose from the sale of goods and/or performance of services, less any reserve for bad debt.

Line 3.—Enter the amount of materials, goods, and supplies purchased or manufactured by the organization and held to be sold or used in some future period.

Line 4.—Attach a schedule that shows the name of the borrower, a brief description of the obligation, the rate of return on the principal indebtedness, the due date, and the amount due. The following example shows the format and amount of detail required:

Name of borrower	Description of obligation	Rate of return	Due date	Amount
Hope Soap Corporation	Debenture bond (no senior issue outstanding)	8%	Jan. 2004	\$37,500
Big Spool Company	Collateral note secured by company's fleet of 20 delivery trucks	10%	Jan. 2003	262,000

Line 5.—Attach a schedule listing the organization's corporate stock holdings.

For stock of closely held corporations, the statement should show the name of the corporation, a brief summary of the corporation's capital structure, and the number of shares held and their value as carried on the organization's books. If such valuation does not reflect current fair market value, also include fair market value.

For stock traded on an organized exchange or in substantial quantities over the counter, the statement should show the name of the corporation, a description of the stock and the principal exchange on which it is traded, the number of shares held, and their value as carried on the organization's books.

The following example shows the format and the amount of detail required:

Name of corporation	Capital structure (or exchange on which traded)	Shares	Book amount	Fair market value
Little Spool Corporation	100 shares nonvoting preferred issued and outstanding, no par value; 50 shares common issued and outstanding, no par value.			
	Preferred shares:	50	\$20,000	\$24,000
	Common shares:	10	25,000	30,000
Flintlock Corporation	Class A common N.Y.S.E.	80	6,000	6,500

Line 6.—Report each loan separately, even if more than one loan was made to the same person. Attach a schedule that shows the borrower's name, purpose of loan, repayment terms, interest rate, and original amount of loan.

Line 7.—Enter the book value of government securities held (U.S., state, or municipal). Also enter the book value of buildings and equipment held for investment purposes. Attach a schedule identifying and reporting the book value of each.

Line 8.—Enter the book value of buildings and equipment **not** held for investment. This includes plant and equipment used by the organization in conducting its exempt activities. Attach a schedule listing these assets held at the end of the current tax year/period and the cost or other basis.

Line 9.—Enter the book value of land **not** held for investment.

Line 10.—Enter the book value of each category of assets not reported on lines 1 through 9. Attach a schedule listing each.

Line 12.—Enter the total of accounts payable to suppliers and others, such as salaries payable, accrued payroll taxes, and interest payable.

Line 13.—Enter the unpaid portion of grants and contributions that the organization has made a commitment to pay to other organizations or individuals.

Line 14.—Enter the total of mortgages and other notes payable outstanding at the end of the current tax year/period. Attach a schedule that shows each item separately and the lender's name, purpose of loan, repayment terms, interest rate, and original amount.

Line 15.—Enter the amount of each liability not reported on lines 12 through 14. Attach a separate schedule.

Line 17.—Under fund accounting, an organization segregates its assets, liabilities, and net assets into separate funds according to restrictions on the use of certain assets. Each fund is like a separate entity in that it has a self-balancing set of accounts showing assets, liabilities, equity (fund balance), income, and expenses. If the organization does not use fund accounting, report only the "net assets" account balances, such as: capital stock, paid-in capital, and retained earnings or accumulated income.

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax-exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

The organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of the Form 1023 application are covered in Code section 6104.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing, and sending the form to IRS
1023 Parts I to IV	55 hr., 58 min.	5 hr., 1 min.	8 hr., 33 min.
1023 Sch. A	7 hr., 10 min.	-0- min.	7 min.
1023 Sch. B	4 hr., 47 min.	30 min.	36 min.
1023 Sch. C	5 hr., 1 min.	35 min.	43 min.
1023 Sch. D	4 hr., 4 min.	42 min.	47 min.
1023 Sch. E	9 hr., 20 min.	1 hr., 5 min.	1 hr., 17 min.
1023 Sch. F	2 hr., 39 min.	2 hr., 53 min.	3 hr., 3 min.
1023 Sch. G	2 hr., 38 min.	-0- min.	2 min.
1023 Sch. H	1 hr., 55 min.	42 min.	46 min.
1023 Sch. I	3 hr., 35 min.	-0- min.	4 min.
872-C	1 hr., 26 min.	24 min.	26 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the application to this address. Instead, see **Where To File** on page 1.

Procedural Checklist

Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application to your organization for resubmission with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

Have you . . .

- _____ Attached **Form 8718** (User Fee for Exempt Organization Determination Letter Request) and the appropriate fee?
- _____ Prepared the application for mailing? (See **Where To File** addresses on Form 8718.) Do **not** file the application with your local Internal Revenue Service Center.
- _____ Completed Parts I through IV and any other schedules that apply to the organization?
- _____ Shown the organization's **Employer Identification Number (EIN)**?
 - a. If your organization has an EIN, write it in the space provided.
 - b. If this is a newly formed organization and does not have an Employer Identification Number, obtain an EIN by telephone. (See Specific Instructions, Part I, Line 2, on page 3.)
- _____ Described your organization's **specific activities** as directed in Part II, line 1, of the application?
- _____ Included a **conformed copy** of the complete organizing instrument? (See Specific Instructions, Part I, Line 10, on page 3.)
- _____ Had the application signed by one of the following?
 - a. An officer or trustee who is authorized to sign (e.g., president, treasurer); **or**
 - b. A person authorized by a power of attorney (Submit Form 2848, or other power of attorney.)
- _____ Enclosed **financial statements** (Part IV)?
 - a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.
 - b. Detailed breakdown of revenue and expenses (no lump sums).
 - c. If the organization has been in existence less than 1 year, you must also submit proposed budgets for 2 years showing the amounts and types of receipts and expenditures anticipated.

Note: *During the technical review of a completed application, it may be necessary to contact the organization for more specific or additional information.*

Do not send this checklist with the application.

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code
(SAMPLE)

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Identification of Applicant

1a Full name of organization (as shown in organizing document) CONSERVATION OF AMERICA PARTNERSHIP		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions .) none
1b c/o Name (if applicable) not applicable		3 Name and telephone number of person to be contacted if additional information is needed MICHAEL LYNN GABRIEL (650) 558-0900
1c Address (number and street) 75 PERRY STREET	Room/Suite 219	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. REDWOOD CITY, CA. 94063		4 Month the annual accounting period ends DECEMBER
1e Web site address www.conserveamerica.com		5 Date incorporated or formed Feb. 10, 2001
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.		6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)
8 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions).		
9 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a ☒ Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☐ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

----- (Signature) ----- (Type or print name and title or authority of signer) ----- (Date)

Activities and Operational Information

- 1** Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The corporation shall not carry on any activity which would prevent it from getting a federal tax exemption under section 501(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170 (2).

The corporation's primary objectives and purposes shall be:

1. To teach and promote conservation and intelligent development of America's natural resources and the environment.
2. To sponsor special events to highlight and increase awareness on the necessity of managing public awareness and to maximum both preservation and jobs.
3. To create newsletters and magazines to teach and instruct and inform the public on the conservation issues as they arise; and
4. To directly engage in and provide facilities for others to engage in the preservation of the environment in all of its forms and in all of its locations.

-
- 2** What are or will be the organization's sources of financial support? List in order of size.

1. Contributions from the public \$10,000 per year.
2. Membership Fees \$25,000 per year
3. Fund raising activities \$30,000 per year

-
- 3** Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

SEE ATTACHMENT FOR QUESTION NUMBER 3

CONSERVATION OF AMERICA PARTNERSHIP (CAP)
ATTACHMENT PART II
ACTIVITIES AND OPERATIONAL INFORMATION

QUESTION 3. FUND RAISING ACTIVITIES

1. The three main fund raising activities are:
 - (a) membership fees;
 - (b) proceeds from its activities; and
 - (c) occasional contributions from its members.

To get the corporation started, its initial member, MICHAEL LYNN GABRIEL, is contributing \$10,000.

2. The corporation uses volunteers to staff its activities.
3. The corporation does not use professional fund raisers.
4. The corporation will sponsor and receive revenues for educational seminars and workshops to teach and educate the public on the best methods to conserve and preserve America's environment and natural resources while providing for development and job preservation.
5. Revenues will be received for sponsoring special events, such as concerts, fairs and festivals, designed to highlight, educate and increase awareness on the necessity to manage public resources and the environment, in all of its forms, to maximize both job preservation and development.
6. Advertising revenue will be received from newsletters and magazines published by the corporation for both its members and for sale to the public.

ATTACHMENT PART II

QUESTION 11

A) MEMBERSHIP REQUIREMENTS. The corporation will be controlled by members. No Member shall hold more than one membership in the Corporation. All Members shall have the same rights, privileges, restrictions and conditions. Any person, partnership, corporation, association or other legal entity can be a Member of the Corporation. There is no limitation on the number of Members of the Corporation. Membership interests in the Corporation are not transferable. Anyone wishing to become a Member of the Corporation shall pay an application fee of **TWENTY FIVE DOLLARS (\$25.00)**. Upon admission to the Corporation, each Member shall pay annual dues to the corporation of **TWENTY FIVE DOLLARS (\$25.00)**.

(B) The corporation uses no promotional literature to attract members. The corporation attracts members through the merits or the activities which it promotes.

(C) the benefits which the members receive is the participation in the operation of the corporation through its voting and the members receive the corporation's newsletters and literature.

Activities and Operational Information (Continued)**4** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
MICHAEL LYNN GABRIEL	0
LYDIA ANN GABRIEL	0
PAUL THOMAS GABRIEL	0

- c** Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? ☐ Yes ☒ No
If "Yes," name those persons and explain the basis of their selection or appointment.

- d** Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) ☐ Yes ☒ No
If "Yes," explain.

- 5** Does the organization control or is it controlled by any other organization? ☐ Yes ☒ No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? ☐ Yes ☒ No
If either of these questions is answered "Yes," explain.

- 6** Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): **(a)** grants; **(b)** purchases or sales of assets; **(c)** rental of facilities or equipment; **(d)** loans or loan guarantees; **(e)** reimbursement arrangements; **(f)** performance of services, membership, or fundraising solicitations; or **(g)** sharing of facilities, equipment, mailing lists or other assets, or paid employees? ☒ Yes ☐ No
If "Yes," explain fully and identify the other organizations involved.

- 7** Is the organization financially accountable to any other organization? ☐ Yes ☒ No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Activities and Operational Information (Continued)

- 8** What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

NOT APPLICABLE

- 9** Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? ☐ Yes ☒ No

- 10a** Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☒ No
- b** Is the organization a party to any leases? ☐ Yes ☒ No
- If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

- 11** Is the organization a membership organization? ☒ Yes ☐ No

If "Yes," complete the following:

- a** Describe the organization's membership requirements and attach a schedule of membership fees and dues.
- b** Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.
- c** What benefits do (or will) the members receive in exchange for their payment of dues?

- 12a** If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? ☐ N/A ☒ Yes ☐ No
- If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

- b** Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? ☐ N/A ☐ Yes ☒ No
- If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 13** Does or will the organization attempt to influence legislation? ☐ Yes ☒ No
- If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

- 14** Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No
- If "Yes," explain fully.

Technical Requirements

- 1** Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? ☒ **Yes** ☐ **No**
 If you answer "Yes," do not answer questions on lines 2 through 6 below.

- 2** If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- ☐ **a** Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- ☐ **b** Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- ☐ **c** Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3** If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? ☐ **Yes** ☐ **No**

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

- 4** If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? ☐ **Yes** ☐ **No**

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

- 5** If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? . . . ☐ **Yes** ☐ **No**

- 6** If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here ► ☐ and attach a completed page 1 of Form 1024 to this application.

Technical Requirements (Continued)

7 Is the organization a private foundation?

- ☐ **Yes** (Answer question 8.)
☒ **No** (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?

- ☐ **Yes** (Complete Schedule E.)
☐ **No**

After answering question 8 on this line, go to line 14 on page 7.

9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|--|--|--|
| a <input type="checkbox"/> | As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b <input type="checkbox"/> | As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c <input type="checkbox"/> | As a hospital or a cooperative hospital service organization, or a
medical research organization operated in conjunction with a
hospital (These organizations, except for hospital service
organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d <input type="checkbox"/> | As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e <input type="checkbox"/> | As being operated solely for the benefit of, or in connection with,
one or more of the organizations described in a through d , g , h , or i
(MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f <input type="checkbox"/> | As being organized and operated exclusively for testing for public
safety. | Section 509(a)(4) |
| g <input type="checkbox"/> | As being operated for the benefit of a college or university that is
owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h <input type="checkbox"/> | As receiving a substantial part of its support in the form of
contributions from publicly supported organizations, from a
governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i <input type="checkbox"/> | As normally receiving not more than one-third of its support from
gross investment income and more than one-third of its support from
contributions, membership fees, and gross receipts from activities
related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j <input checked="" type="checkbox"/> | The organization is a publicly supported organization but is not sure
whether it meets the public support test of h or i . The organization
would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vi)
or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question

14. If you checked box g in question 9, go to questions 11 and 12.

If you checked box h, i, or j, in question 9, go to question 10.

Technical Requirements (Continued)

- 10** If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?
- ☐ **Yes**—Indicate whether you are requesting:
- ☐ A definitive ruling. (Answer questions 11 through 14.)
- ☐ An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
- ☒ **No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.**
- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

NOT APPLICABLE

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:

- a** Enter 2% of line 8, column (e), Total, of Part IV-A
- b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line **12a** above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here ☐ and:

- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
- b** For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From ... 2001 to 2002	(b) ... 2002	(c) ... 2003	(d)	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions).	10,000	0	0		10,000
	2 Membership fees received	12,500	25,000	50,000		87,500
	3 Gross investment income (see instructions for definition)	10,000	10,000	10,000		30,000
	4 Net income from organization's unrelated business activities not included on line 3	0	0	0		0
	5 Tax revenues levied for and either paid to or spent on behalf of the organization	0	0	0		0
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0	0		0
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0	0		0
	8 Total (add lines 1 through 7)	32,500	35,000	60,000		127,500
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22	10,000	25,000	35,000		70,000
	10 Total (add lines 8 and 9)	42,500	60,000	95,000		197,500
	11 Gain or loss from sale of capital assets (attach schedule)	0	0	0		0
	12 Unusual grants	0	0	0		0
	13 Total revenue (add lines 10 through 12)	42,500	60,000	95,000		197,500
Expenses	14 Fundraising expenses	15,000	15,000	25,000		
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0		
	16 Disbursements to or for benefit of members (attach schedule)	0	0	0		
	17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0		
	18 Other salaries and wages	20,000	25,000	35,000		
	19 Interest	0	0	0		
	20 Occupancy (rent, utilities, etc.)	0	0	0		
	21 Depreciation and depletion	0	0	0		
	22 Other (attach schedule)	0	0	0		
	23 Total expenses (add lines 14 through 22)	35,000	40,000	60,000		
	24 Excess of revenue over expenses (line 13 minus line 23)	7,500	20,000	35,000		

Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date <u>2001</u>.....
Assets		
1 Cash	1	10,759
2 Accounts receivable, net	2	0
3 Inventories	3	0
4 Bonds and notes receivable (attach schedule)	4	0
5 Corporate stocks (attach schedule)	5	0
6 Mortgage loans (attach schedule)	6	0
7 Other investments (attach schedule)	7	0
8 Depreciable and depletable assets (attach schedule)	8	0
9 Land	9	0
10 Other assets (attach schedule)	10	0
11 Total assets (add lines 1 through 10)	11	10,759
Liabilities		
12 Accounts payable	12	0
13 Contributions, gifts, grants, etc., payable	13	0
14 Mortgages and notes payable (attach schedule)	14	0
15 Other liabilities (attach schedule)	15	0
16 Total liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets		
17 Total fund balances or net assets	17	10,759
18 Total liabilities and fund balances or net assets (add line 16 and line 17)	18	10,759

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation ☐

**Consent Fixing Period of Limitation Upon
Assessment of Tax Under Section 4940 of the
Internal Revenue Code**

(See instructions on reverse side.)

OMB No. 1545-0056

**To be used with
Form 1023. Submit
in duplicate.**

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

CONSERVATION OF AMERICA PARTNERSHIP

(Exact legal name of organization as shown in organizing document)

75 PERRY STREET REDWOOD CITY, CA, 94063

(Number, street, city or town, state, and ZIP code)

and the
District Director of
Internal Revenue, or
Assistant
Commissioner
(Employee Plans and
Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year DECEMBER 31, 2001
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
CONSERVATION OF AMERICA PARTNERSHIP	Feb 12, 2001
Officer or trustee having authority to sign	Type or print name and title
Signature ►	MICHAEL LYNN GABRIEL PRESIDENT

For IRS use only

District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ►

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document)		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions .)
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed ()
1c Address (number and street)	Room/Suite	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3.		4 Month the annual accounting period ends
		5 Date incorporated or formed
1e Web site address		6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach an explanation.		
8 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions).		
9 Has the organization filed Federal income tax returns or exempt organization information returns? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a** ☐ Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b** ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c** ☐ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here ► ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**Please
Sign
Here** ►

.....
(Signature)

.....
(Type or print name and title or authority of signer)

.....
(Date)

Part II **Activities and Operational Information**

- 1** Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

-
- 2** What are or will be the organization's sources of financial support? List in order of size.

-
- 3** Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.
-

Part II Activities and Operational Information (*Continued*)**4** Give the following information about the organization's governing body:**a** Names, addresses, and titles of officers, directors, trustees, etc.**b** Annual compensation

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? ☐ Yes ☐ No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) ☐ Yes ☐ No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? ☐ Yes ☐ No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? ☐ Yes ☐ No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): **(a)** grants; **(b)** purchases or sales of assets; **(c)** rental of facilities or equipment; **(d)** loans or loan guarantees; **(e)** reimbursement arrangements; **(f)** performance of services, membership, or fundraising solicitations; or **(g)** sharing of facilities, equipment, mailing lists or other assets, or paid employees? ☐ Yes ☐ No
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? ☐ Yes ☐ No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information *(Continued)*

- 8** What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

- 9** Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? ☐ Yes ☐ No

- 10a** Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☐ No

- b** Is the organization a party to any leases? ☐ Yes ☐ No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

- 11** Is the organization a membership organization? ☐ Yes ☐ No
If "Yes," complete the following:

- a** Describe the organization's membership requirements and attach a schedule of membership fees and dues.

- b** Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

- c** What benefits do (or will) the members receive in exchange for their payment of dues?

- 12a** If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? ☐ N/A ☐ Yes ☐ No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

- b** Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? ☐ N/A ☐ Yes ☐ No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 13** Does or will the organization attempt to influence legislation? ☐ Yes ☐ No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

- 14** Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☐ No
If "Yes," explain fully.

Part III Technical Requirements

- 1** Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? ☐ **Yes** ☐ **No**
If you answer "Yes," do not answer questions on lines 2 through 6 below.

- 2** If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- ☐ **a** Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- ☐ **b** Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- ☐ **c** Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3** If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? ☐ **Yes** ☐ **No**

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

- 4** If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? ☐ **Yes** ☐ **No**

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

- 5** If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? . . . ☐ **Yes** ☐ **No**

- 6** If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here ► ☐ and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements *(Continued)***7** Is the organization a private foundation?

- ☐ **Yes** (Answer question 8.)
- ☐ **No** (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?

- ☐ **Yes** (Complete Schedule E.)
- ☐ **No**

After answering question 8 on this line, go to line 14 on page 7.

9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

- | | | |
|-----------------------------------|--|--|
| a <input type="checkbox"/> | As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b <input type="checkbox"/> | As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c <input type="checkbox"/> | As a hospital or a cooperative hospital service organization, or a
medical research organization operated in conjunction with a
hospital (These organizations, except for hospital service
organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d <input type="checkbox"/> | As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e <input type="checkbox"/> | As being operated solely for the benefit of, or in connection with,
one or more of the organizations described in a through d , g , h , or i
(MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f <input type="checkbox"/> | As being organized and operated exclusively for testing for public
safety. | Section 509(a)(4) |
| g <input type="checkbox"/> | As being operated for the benefit of a college or university that is
owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h <input type="checkbox"/> | As receiving a substantial part of its support in the form of
contributions from publicly supported organizations, from a
governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i <input type="checkbox"/> | As normally receiving not more than one-third of its support from
gross investment income and more than one-third of its support from
contributions, membership fees, and gross receipts from activities
related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j <input type="checkbox"/> | The organization is a publicly supported organization but is not sure
whether it meets the public support test of h or i . The organization
would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vi)
or Section 509(a)(2) |

If you checked one of the boxes **a** through **f** in question 9, go to question**14**. If you checked box **g** in question 9, go to questions **11** and **12**.If you checked box **h**, **i**, or **j**, in question 9, go to question **10**.

Part III Technical Requirements (*Continued*)

- 10** If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?
- ☐ **Yes**—Indicate whether you are requesting:
- ☐ A definitive ruling. (Answer questions 11 through 14.)
- ☐ An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
- ☐ **No**—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.
- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ► ☐ and:

- a** Enter 2% of line 8, column (e), Total, of Part IV-A
- b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line **12a** above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here ► ☐ and:

- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
- b** For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?			A
Is the organization, or any part of it, a school?			B
Is the organization, or any part of it, a hospital or medical research organization?			C
Is the organization a section 509(a)(3) supporting organization?			D
Is the organization a private operating foundation?			E
Is the organization, or any part of it, a home for the aged or handicapped?			F
Is the organization, or any part of it, a child care organization?			G
Does the organization provide or administer any scholarship benefits, student aid, etc.?			H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .			I

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From to	(b)	(c)	(d)	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions).					
	2 Membership fees received . .					
	3 Gross investment income (see instructions for definition) . .					
	4 Net income from organization's unrelated business activities not included on line 3					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . .					
	8 Total (add lines 1 through 7)					
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22					
	10 Total (add lines 8 and 9) . .					
	11 Gain or loss from sale of capital assets (attach schedule) . . .					
	12 Unusual grants.					
	13 Total revenue (add lines 10 through 12)					
Expenses	14 Fundraising expenses . . .					
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
	16 Disbursements to or for benefit of members (attach schedule) .					
	17 Compensation of officers, directors, and trustees (attach schedule)					
	18 Other salaries and wages . .					
	19 Interest					
	20 Occupancy (rent, utilities, etc.) .					
	21 Depreciation and depletion . .					
	22 Other (attach schedule) . . .					
	23 Total expenses (add lines 14 through 22)					
	24 Excess of revenue over expenses (line 13 minus line 23)					

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date
Assets		
1 Cash	1	
2 Accounts receivable, net	2	
3 Inventories	3	
4 Bonds and notes receivable (attach schedule)	4	
5 Corporate stocks (attach schedule)	5	
6 Mortgage loans (attach schedule)	6	
7 Other investments (attach schedule)	7	
8 Depreciable and depletable assets (attach schedule)	8	
9 Land	9	
10 Other assets (attach schedule)	10	
11 Total assets (add lines 1 through 10)	11	
Liabilities		
12 Accounts payable	12	
13 Contributions, gifts, grants, etc., payable	13	
14 Mortgages and notes payable (attach schedule)	14	
15 Other liabilities (attach schedule)	15	
16 Total liabilities (add lines 12 through 15)	16	
Fund Balances or Net Assets		
17 Total fund balances or net assets	17	
18 Total liabilities and fund balances or net assets (add line 16 and line 17)	18	

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation ☐

**Consent Fixing Period of Limitation Upon
Assessment of Tax Under Section 4940 of the
Internal Revenue Code**

(See instructions on reverse side.)

OMB No. 1545-0056

**To be used with
Form 1023. Submit
in duplicate.**

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

.....
(Exact legal name of organization as shown in organizing document).....
(Number, street, city or town, state, and ZIP code)

} and the

District Director of
Internal Revenue, or
Assistant
Commissioner
(Employee Plans and
Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
Officer or trustee having authority to sign	Type or print name and title
Signature ►	
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ►

You must complete Form 872-C and attach it to the Form 1023 if you checked box **h**, **i**, or **j** of Part III, question 9, and the organization has not completed a tax year of at least 8 months.

For example: If the organization incorporated May 15 and its year ends December 31, it has completed a tax year of only 7½ months. Therefore, Form 872-C must be submitted.

(a) Enter the name of the organization. This must be entered exactly as it appears in the organizing document. Do not use abbreviations unless the organizing document does.

(b) Enter the current address.

(c) Enter the ending date of the first tax year.

For example:

(1) If the organization was formed on June 15 and it has chosen December 31 as its year end, enter December 31,

(2) If the organization was formed June 15 and it has chosen June 30 as its year end, enter June 30, In this example, the organization's first tax year consists of only 15 days.

(d) The form must be signed by an authorized officer or trustee, generally the president or treasurer. The name and title of the person signing must be typed or printed in the space provided.

(e) Enter the date that the form was signed.

DO NOT MAKE ANY OTHER ENTRIES.

Schedule A. Churches

- 1** Provide a brief history of the development of the organization, including the reasons for its formation.

- 2** Does the organization have a written creed or statement of faith? . . . ☐ **Yes** ☐ **No**
If "Yes," attach a copy.

- 3** Does the organization require prospective members to renounce other religious beliefs or their membership in other churches or religious orders to become members? . . . ☐ **Yes** ☐ **No**

- 4** Does the organization have a formal code of doctrine and discipline for its members? . . . ☐ **Yes** ☐ **No**
If "Yes," describe.

- 5** Describe the form of worship and attach a schedule of worship services.

- 6** Are the services open to the public? . . . ☐ **Yes** ☐ **No**
If "Yes," describe how the organization publicizes its services and explain the criteria for admittance.

- 7** Explain how the organization attracts new members.

- 8 (a)** How many active members are currently enrolled in the church?

- (b)** What is the average attendance at the worship services?

- 9** In addition to worship services, what other religious services (such as baptisms, weddings, funerals, etc.) does the organization conduct?

Schedule A. Churches *(Continued)*

10 Does the organization have a school for the religious instruction of the young? ☐ **Yes** ☐ **No**

11 Were the current deacons, minister, and/or pastor formally ordained after a prescribed course of study? ☐ **Yes** ☐ **No**

12 Describe the organization's religious hierarchy or ecclesiastical government.

13 Does the organization have an established place of worship? ☐ **Yes** ☐ **No**

If "Yes," provide the name and address of the owner or lessor of the property and the address and a description of the facility.

If the organization has no regular place of worship, state where the services are held and how the site is selected.

14 Does (or will) the organization license or otherwise ordain ministers (or their equivalent) or issue church charters? ☐ **Yes** ☐ **No**

If "Yes," describe in detail the requirements and qualifications needed to be so licensed, ordained, or chartered.

15 Did the organization pay a fee for a church charter? ☐ **Yes** ☐ **No**

If "Yes," state the name and address of the organization to which the fee was paid, attach a copy of the charter, and describe the circumstances surrounding the chartering.

16 Show how many hours a week the minister/pastor and officers each devote to church work and the amount of compensation paid to each of them. If the minister or pastor is otherwise employed, indicate by whom employed, the nature of the employment, and the hours devoted to that employment.

Schedule A. Churches *(Continued)*

- 17** Will any funds or property of the organization be used by any officer, director, employee, minister, or pastor for his or her personal needs or convenience? ☐ **Yes** ☐ **No**

If "Yes," describe the nature and circumstances of such use.

-
- 18** List any officers, directors, or trustees related by blood or marriage.

-
- 19** Give the name of anyone who has assigned income to the organization or made substantial contributions of money or other property. Specify the amounts involved.
-

Instructions

Although a church, its integrated auxiliaries, or a convention or association of churches is not required to file Form 1023 to be exempt from Federal income tax or to receive tax-deductible contributions, such an organization may find it advantageous to obtain recognition of exemption. In this event, you should submit information showing that your organization is a church, synagogue, association or convention of churches, religious order or religious organization that is an integral part of a church, and that it is carrying out the functions of a church.

In determining whether an admittedly religious organization is also a church, the IRS does not accept any and every assertion that such an organization is a church. Because beliefs and practices vary so widely, there is no single definition of the word "church" for tax purposes. The IRS considers the facts and circumstances of each organization applying for church status.

The IRS maintains two basic guidelines in determining that an organization meets the religious purposes test:

1. That the particular religious beliefs of the organization are truly and sincerely held, and
2. That the practices and rituals associated with the organization's religious beliefs or creed are not illegal or contrary to clearly defined public policy.

In order for the IRS to properly evaluate your organization's activities and religious purposes, it is important that all questions in Schedule A be answered.

The information submitted with Schedule A will be a determining factor in granting the "church" status requested by your organization. In completing the schedule, consider the following points:

1. The organization's activities in furtherance of its beliefs must be exclusively religious, and
 2. An organization will not qualify for exemption if it has a substantial nonexempt purpose of serving the private interests of its founder or the founder's family.
-

Schedule B. Schools, Colleges, and Universities

1 Does, or will, the organization normally have: **(a)** a regularly scheduled curriculum, **(b)** a regular faculty of qualified teachers, **(c)** a regularly enrolled student body, and **(d)** facilities where its educational activities are regularly carried on? ☐ Yes ☐ No
If "No," do not complete the rest of Schedule B.

2 Is the organization an instrumentality of a state or political subdivision of a state? ☐ Yes ☐ No
If "Yes," document this in Part II and do not complete items 3 through 10 of Schedule B. (See instructions on the back of Schedule B.)

3 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to:

a Admissions? ☐ Yes ☐ No

b Use of facilities or exercise of student privileges? ☐ Yes ☐ No

c Faculty or administrative staff? ☐ Yes ☐ No

d Scholarship or loan programs? ☐ Yes ☐ No

If "Yes" for any of the above, explain.

4 Does the organization include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students? ☐ Yes ☐ No

Attach whatever corporate resolutions or other official statements the organization has made on this subject.

5a Has the organization made its racially nondiscriminatory policies known in a manner that brings the policies to the attention of all segments of the general community that it serves? ☐ Yes ☐ No

If "Yes," describe how these policies have been publicized and how often relevant notices or announcements have been made. If no newspaper or broadcast media notices have been used, explain.

b If applicable, attach clippings of any relevant newspaper notices or advertising, or copies of tapes or scripts used for media broadcasts. Also attach copies of brochures and catalogs dealing with student admissions, programs, and scholarships, as well as representative copies of all written advertising used as a means of informing prospective students of the organization's programs.

6 Attach a numerical schedule showing the racial composition, as of the current academic year, and projected to the extent feasible for the next academic year, of: **(a)** the student body, and **(b)** the faculty and administrative staff.

7 Attach a list showing the amount of any scholarship and loan funds awarded to students enrolled and the racial composition of the students who have received the awards.

8a Attach a list of the organization's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b State whether any of the organizations listed in **8a** have as an objective the maintenance of segregated public or private school education, and, if so, whether any of the individuals listed in **8a** are officers or active members of such organizations.

9a Enter the public school district and county in which the organization is located.

b Was the organization formed or substantially expanded at the time of public school desegregation in the above district or county? ☐ Yes ☐ No

10 Has the organization ever been determined by a state or Federal administrative agency or judicial body to be racially discriminatory? ☐ Yes ☐ No

If "Yes," attach a detailed explanation identifying the parties to the suit, the forum in which the case was heard, the cause of action, the holding in the case, and the citations (if any) for the case. Also describe in detail what changes in the organization's operation, if any, have occurred since then.

Instructions

A "school" is an organization that has the primary function of presenting formal instruction, normally maintains a regular faculty and curriculum, normally has a regularly enrolled student body, and has a place where its educational activities are carried on.

The term generally corresponds to the definition of an "educational organization" in section 170(b)(1)(A)(ii). Thus, the term includes primary, secondary, preparatory and high schools, and colleges and universities. The term does not include organizations engaged in both educational and noneducational activities unless the latter are merely incidental to the educational activities. A school for handicapped children is included within the term, but an organization merely providing handicapped children with custodial care is not.

For purposes of Schedule B, "Sunday schools" that are conducted by a church are not included in the term "schools," but separately organized schools (such as parochial schools, universities, and similar institutions) are included in the term.

A private school that otherwise meets the requirements of section 501(c)(3) as an educational institution will not qualify for exemption under section 501(a) unless it has a racially nondiscriminatory policy as to students.

This policy means that the school admits students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic or other school-administered programs.

The IRS considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. A policy of a school that favors racial minority groups in admissions, facilities, programs, and financial assistance will not constitute discrimination on the basis of race when the purpose and effect is to promote the establishment and maintenance of that school's racially nondiscriminatory policy as to students.

See Rev. Proc. 75-50, 1975-2 C.B. 587, for guidelines and recordkeeping requirements for determining whether private schools that are applying for recognition of exemption have racially nondiscriminatory policies as to students.

Line 2

An instrumentality of a state or political subdivision of a state may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational tests of section 501(c)(3). See Rev. Rul. 60-384, 1960-2 C.B. 172. Any such organization that is a school is not a private school and, therefore, is not subject to the provisions of Rev. Proc. 75-50.

Schools that incorrectly answer "Yes" to line 2 will be contacted to furnish the information called for by lines 3 through 10 in order to establish that they meet the requirements for exemption. To prevent delay in the processing of your application, be sure to answer line 2 correctly and complete lines 3 through 10, if applicable.

Schedule C. Hospitals and Medical Research Organizations

- ☐ Check here if claiming to be a hospital; complete the questions in Section I of this schedule; and write "N/A" in Section II.
- ☐ Check here if claiming to be a medical research organization operated in conjunction with a hospital; complete the questions in Section II of this schedule; and write "N/A" in Section I.

Section I Hospitals

- 1a** How many doctors are on the hospital's courtesy staff? _____
- b** Are all the doctors in the community eligible for staff privileges? ☐ Yes ☐ No
If "No," give the reasons why and explain how the courtesy staff is selected.
-
- 2a** Does the hospital maintain a full-time emergency room? ☐ Yes ☐ No
- b** What is the hospital's policy on administering emergency services to persons without apparent means to pay?
- c** Does the hospital have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? ☐ Yes ☐ No
Explain.
-
- 3a** Does or will the hospital require a deposit from persons covered by Medicare or Medicaid in its admission practices? ☐ Yes ☐ No
If "Yes," explain.
- b** Does the same deposit requirement, if any, apply to all other patients? ☐ Yes ☐ No
If "No," explain.
-
- 4** Does or will the hospital provide for a portion of its services and facilities to be used for charity patients? ☐ Yes ☐ No
Explain the policy regarding charity cases. Include data on the hospital's past experience in admitting charity patients and arrangements it may have with municipal or government agencies for absorbing the cost of such care.
-
- 5** Does or will the hospital carry on a formal program of medical training and research? ☐ Yes ☐ No
If "Yes," describe.
-
- 6** Does the hospital provide office space to physicians carrying on a medical practice? ☐ Yes ☐ No
If "Yes," attach a list setting forth the name of each physician, the amount of space provided, the annual rent, the expiration date of the current lease and whether the terms of the lease represent fair market value.

Section II Medical Research Organizations

- 1** Name the hospitals with which the organization has a relationship and describe the relationship.
-
- 2** Attach a schedule describing the organization's present and proposed (indicate which) medical research activities; show the nature of the activities, and the amount of money that has been or will be spent in carrying them out. (Making grants to other organizations is not direct conduct of medical research.)
-
- 3** Attach a statement of assets showing their fair market value and the portion of the assets directly devoted to medical research.

Additional Information

Hospitals

To be entitled to status as a "hospital," an organization must have, as its principal purpose or function, the providing of medical or hospital care or medical education or research. "Medical care" includes the treatment of any physical or mental disability or condition, the cost of which may be taken as a deduction under section 213, whether the treatment is performed on an inpatient or outpatient basis. Thus, a rehabilitation institution, outpatient clinic, or community mental health or drug treatment center may be a hospital if its principal function is providing the above-described services.

On the other hand, a convalescent home or a home for children or the aged is not a hospital. Similarly, an institution whose principal purpose or function is to train handicapped individuals to pursue some vocation is not a hospital. Moreover, a medical education or medical research institution is not a hospital, unless it is also actively engaged in providing medical or hospital care to patients on its premises or in its facilities on an inpatient or outpatient basis.

Cooperative Hospital Service Organizations

Cooperative hospital service organizations (section 501(e)) should not complete Schedule C.

Medical Research Organizations

To qualify as a medical research organization, the principal function of the organization must be the direct, continuous, and active conduct of medical research in conjunction with a hospital that is described in section 501(c)(3), a Federal hospital, or an instrumentality of a governmental unit referred to in section 170(c)(1).

For purposes of section 170(b)(1)(A)(iii) only, the organization must be set up to use the funds it receives in the active conduct of medical research by January 1 of the fifth calendar year after receipt. The arrangement it has with donors to assure use of the funds within the 5-year period must be legally enforceable.

As used here, "medical research" means investigations, experiments, and studies to discover, develop, or verify knowledge relating to the causes, diagnosis, treatment, prevention, or control of human physical or mental diseases and impairments.

For further information, see Regulations section 1.170A-9(c)(2).

Schedule D. Section 509(a)(3) Supporting Organizations

1a Organizations supported by the applicant organization: <div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-bottom: 5px;">Name and address of supported organization</div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 1.2em; margin-bottom: 5px;"></div>	b Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)? <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div>
--	--

c If "No" for any of the organizations listed in **1a**, explain.

2 Does the supported organization have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? ☐ **Yes** ☐ **No**
 If "Yes," attach: **(a)** a copy of its ruling or determination letter, and **(b)** an analysis of its revenue for the current year and the preceding 3 years. (Provide the financial data using the formats in Part IV-A (lines 1-13) and Part III (lines 11, 12, and 13).)

3 Does your organization's governing document indicate that the majority of its governing board is elected or appointed by the supported organizations? ☐ **Yes** ☐ **No**
 If "Yes," skip to line 9.
 If "No," you must answer the questions on lines 4 through 9.

4 Does your organization's governing document indicate the common supervision or control that it and the supported organizations share? ☐ **Yes** ☐ **No**
 If "Yes," give the article and paragraph numbers. If "No," explain.

5 To what extent do the supported organizations have a significant voice in your organization's investment policies, in the making and timing of grants, and in otherwise directing the use of your organization's income or assets?

6 Does the mentioning of the supported organizations in your organization's governing instrument make it a trust that the supported organizations can enforce under state law and compel to make an accounting? ☐ **Yes** ☐ **No**
 If "Yes," explain.

7a What percentage of your organization's income does it pay to each supported organization?

b What is the total annual income of each supported organization?

c How much does your organization contribute annually to each supported organization?

Schedule D. Section 509(a)(3) Supporting Organizations (*Continued*)

- 8** To what extent does your organization conduct activities that would otherwise be carried on by the supported organizations? Explain why these activities would otherwise be carried on by the supported organizations.

- 9** Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization that is not described in section 509(a)(1) or (2)? ☐ Yes ☐ No
If "Yes," explain.

Instructions

For an explanation of the types of organizations defined in section 509(a)(3) as being excluded from the definition of a private foundation, see Pub. 557, Chapter 3.

Line 1

List each organization that is supported by your organization and indicate in item **1b** if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2). If you answer "No" in **1b** to any of the listed organizations, please explain in **1c**.

Line 3

Your organization's governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

Line 9

For a definition of a "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3 of the application's instructions.

Schedule E. Private Operating Foundations

Income Test	Most recent tax year	
1a Adjusted net income, as defined in Regulations section 53.4942(a)-2(d)	1a	
b Minimum investment return, as defined in Regulations section 53.4942(a)-2(c)	1b	
2 Qualifying distributions:		
a Amounts (including administrative expenses) paid directly for the active conduct of the activities for which organized and operated under section 501(c)(3) (attach schedule)	2a	
b Amounts paid to acquire assets to be used (or held for use) directly in carrying out purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule)	2b	
c Amounts set aside for specific projects that are for purposes described in section 170(c)(1) or 170(c)(2)(B) (attach schedule).	2c	
d Total qualifying distributions (add lines 2a, b, and c).	2d	
3 Percentages:		
a Percentage of qualifying distributions to adjusted net income (divide line 2d by line 1a)	3a	%
b Percentage of qualifying distributions to minimum investment return (divide line 2d by line 1b). (Percentage must be at least 85% for 3a or 3b)	3b	%
Assets Test		
4 Value of organization's assets used in activities that directly carry out the exempt purposes. Do not include assets held merely for investment or production of income (attach schedule)	4	
5 Value of any stock of a corporation that is controlled by applicant organization and carries out its exempt purposes (attach statement describing corporation)	5	
6 Value of all qualifying assets (add lines 4 and 5)	6	
7 Value of applicant organization's total assets	7	
8 Percentage of qualifying assets to total assets (divide line 6 by line 7—percentage must exceed 65%)	8	%
Endowment Test		
9 Value of assets not used (or held for use) directly in carrying out exempt purposes:		
a Monthly average of investment securities at fair market value.	9a	
b Monthly average of cash balances.	9b	
c Fair market value of all other investment property (attach schedule).	9c	
d Total (add lines 9a, b, and c).	9d	
10 Acquisition indebtedness related to line 9 items (attach schedule)	10	
11 Balance (subtract line 10 from line 9d)	11	
12 Multiply line 11 by 3 1/3% (2/3 of the percentage for the minimum investment return computation under section 4942(e)). Line 2d above must equal or exceed the result of this computation	12	
Support Test		
13 Applicant organization's support as defined in section 509(d)	13	
14 Gross investment income as defined in section 509(e)	14	
15 Support for purposes of section 4942(j)(3)(B)(iii) (subtract line 14 from line 13)	15	
16 Support received from the general public, five or more exempt organizations, or a combination of these sources (attach schedule).	16	
17 For persons (other than exempt organizations) contributing more than 1% of line 15, enter the total amounts that are more than 1% of line 15	17	
18 Subtract line 17 from line 16	18	
19 Percentage of total support (divide line 18 by line 15—must be at least 85%)	19	%
20 Does line 16 include support from an exempt organization that is more than 25% of the amount of line 15?		<input type="checkbox"/> Yes <input type="checkbox"/> No
21 Newly created organizations with less than 1 year's experience: Attach a statement explaining how the organization is planning to satisfy the requirements of section 4942(j)(3) for the income test and one of the supplemental tests during its first year's operation. Include a description of plans and arrangements, press clippings, public announcements, solicitations for funds, etc.		
22 Does the amount entered on line 2a above include any grants that the applicant organization made? If "Yes," attach a statement explaining how those grants satisfy the criteria for "significant involvement" grants described in section 53.4942(b)-1(b)(2) of the regulations.		<input type="checkbox"/> Yes <input type="checkbox"/> No

For more information, see back of Schedule E.

Instructions

If the organization claims to be an operating foundation described in section 4942(j)(3) and—

a. Bases its claim to private operating foundation status on normal and regular operations over a period of years; or

b. Is newly created, set up as a private operating foundation, and has at least 1 year's experience;

provide the information under the **income test and under one of the three supplemental tests** (assets, endowment, or support). If the organization does not have at least 1 year's experience, provide the information called for on line 21. If the organization's private operating foundation status depends on its normal and regular operations as described in **a** above, attach a schedule similar to Schedule E showing the data in tabular form for the 3 years preceding the most recent tax year. (See Regulations section 53.4942(b)-1 for additional information before completing the "Income Test" section of this schedule.) Organizations claiming section 4942(j)(5) status must satisfy the income test and the endowment test.

A "private operating foundation" described in section 4942(j)(3) is a private foundation that spends substantially all of the smaller of its adjusted net income (as defined below) or its minimum investment return directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated. The foundation must satisfy the income test under section 4942(j)(3)(A), as modified by Regulations section 53.4942(b)-1, and one of the following three supplemental tests: **(1)** the assets test under section 4942(j)(3)(B)(i); **(2)** the endowment test under section 4942(j)(3)(B)(ii); or **(3)** the support test under section 4942(j)(3)(B)(iii).

Certain long-term care facilities described in section 4942(j)(5) are treated as private operating foundations for purposes of section 4942 only.

"Adjusted net income" is the excess of gross income determined with the income modifications described below for the tax year over the sum of deductions determined with the deduction modifications described below. Items of gross income from any unrelated trade or business and the deductions directly connected with the unrelated trade or business are taken into account in computing the organization's adjusted net income.

Income Modifications

The following are income modifications (adjustments to gross income):

1. Section 103 (relating to interest on certain governmental obligations) does not apply. Thus, interest that otherwise would have been excluded should be included in gross income.

2. Except as provided in **3** below, capital gains and losses are taken into account only to the extent of the net short-term gain. Long-term gains and losses are disregarded.

3. The gross amount received from the sale or disposition of certain property should be included in gross income to the extent that the acquisition of the property constituted a qualifying distribution under section 4942(g)(1)(B).

4. Repayments of prior qualifying distributions (as defined in section 4942(g)(1)(A)) constitute items of gross income.

5. Any amount set aside under section 4942(g)(2) that is "not necessary for the purposes for which it was set aside" constitutes an item of gross income.

Deduction Modifications

The following are deduction modifications (adjustments to deductions):

1. Expenses for the general operation of the organization according to its charitable purposes (as contrasted with expenses for the production or collection of income and management, conservation, or maintenance of income-producing property) should not be taken as deductions. If only a portion of the property is used for production of income subject to section 4942 and the remainder is used for general charitable purposes, the expenses connected with that property should be divided according to those purposes. Only expenses related to the income-producing portion should be taken as deductions.

2. Charitable contributions, deductible under section 170 or 642(c), should not be taken into account as deductions for adjusted net income.

3. The net operating loss deduction prescribed under section 172 should not be taken into account as a deduction for adjusted net income.

4. The special deductions for corporations (such as the dividends-received deduction) allowed under sections 241 through 249 should not be taken into account as deductions for adjusted net income.

5. Depreciation and depletion should be determined in the same manner as under section 4940(c)(3)(B).

Section 265 (relating to the expenses and interest connected with tax-exempt income) should not be taken into account.

You may find it easier to figure adjusted net income by completing column (c), Part 1, Form 990-PF, according to the instructions for that form.

An organization that has been held to be a private operating foundation will continue to be such an organization only if it meets the income test and either the assets, endowment, or support test in later years. See Regulations section 53.4942(b) for additional information. No additional request for ruling will be necessary or appropriate for an organization to maintain its status as a private operating foundation. However, data related to the above tests must be submitted with the organization's annual information return, Form 990-PF.

Schedule F. Homes for the Aged or Handicapped

1 What are the requirements for admission to residency? Explain fully and attach promotional literature and application forms.

2 Does or will the home charge an entrance or founder's fee? ☐ **Yes** ☐ **No**
If "Yes," explain and specify the amount charged.

3 What periodic fees or maintenance charges are or will be required of its residents?

4a What established policy does the home have concerning residents who become unable to pay their regular charges?

b What arrangements does the home have or will it make with local and Federal welfare units, sponsoring organizations, or others to absorb all or part of the cost of maintaining those residents?

5 What arrangements does or will the home have to provide for the health needs of its residents?

6 In what way are the home's residential facilities designed to meet some combination of the physical, emotional, recreational, social, religious, and similar needs of the aged or handicapped?

7 Provide a description of the home's facilities and specify both the residential capacity of the home and the current number of residents.

8 Attach a sample copy of the contract or agreement the organization makes with or requires of its residents.

For more information, see back of Schedule F.

Instructions

Line 1

Provide the criteria for admission to the home and submit brochures, pamphlets, or other printed material used to inform the public about the home's admissions policy.

Line 2

Indicate whether the fee charged is an entrance fee or a monthly charge, etc. Also, if the fee is an entrance fee, is it payable in a lump sum or on an installment basis?

Line 4

Indicate the organization's policy regarding residents who are unable to pay. Also, indicate whether the organization is subsidized for all or part of the cost of maintaining those residents who are unable to pay.

Line 5

Indicate whether the organization provides health care to the residents, either directly or indirectly, through some continuing arrangement with other organizations, facilities, or health personnel. If no health care is provided, indicate "N/A."

Schedule G. Child Care Organizations

-
- 1** Is the organization's primary activity the providing of care for children away from their homes? ☐ **Yes** ☐ **No**
-
- 2** How many children is the organization authorized to care for by the state (or local governmental unit), and what was the average attendance during the past 6 months, or the number of months the organization has been in existence if less than 6 months?
-
- 3** How many children are currently cared for by the organization?
-
- 4** Is substantially all (at least 85%) of the care provided for the purpose of enabling parents to be gainfully employed or to seek employment? . . . ☐ **Yes** ☐ **No**
-
- 5** Are the services provided available to the general public? ☐ **Yes** ☐ **No**
If "No," explain.
-
- 6** Indicate the category, or categories, of parents whose children are eligible for the child care services (check as many as apply):
- ☐ low-income parents
 - ☐ any working parents (or parents looking for work)
 - ☐ anyone with the ability to pay
 - ☐ other (explain)
-

Instructions

Line 5

If your organization's services are not available to the general public, indicate the particular group or groups that may utilize the services.

REMINDER—If this organization claims to operate a school, then it must also fill out Schedule B.

Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc., to Individuals

1a Describe the nature and the amount of the scholarship benefit, student aid, etc., including the terms and conditions governing its use, whether a gift or a loan, and how the availability of the scholarship is publicized. If the organization has established or will establish several categories of scholarship benefits, identify each kind of benefit and explain how the organization determines the recipients for each category. Attach a sample copy of any application the organization requires individuals to complete to be considered for scholarship grants, loans, or similar benefits. (Private foundations that make grants for travel, study, or other similar purposes are required to obtain advance approval of scholarship procedures. See Regulations sections 53.4945-4(c) and (d).)

b If you want this application considered as a request for approval of grant procedures in the event we determine that the organization is a private foundation, check here ☐

c If you checked the box in **1b** above, check the box(es) for which you wish the organization to be considered.

☐ 4945(g)(1)

☐ 4945(g)(2)

☐ 4945(g)(3)

2 What limitations or restrictions are there on the class of individuals who are eligible recipients? Specifically explain whether there are, or will be, any restrictions or limitations in the selection procedures based upon race or the employment status of the prospective recipient or any relative of the prospective recipient. Also indicate the approximate number of eligible individuals.

3 Indicate the number of grants the organization anticipates making annually ☐

4 If the organization bases its selections in any way on the employment status of the applicant or any relative of the applicant, indicate whether there is or has been any direct or indirect relationship between the members of the selection committee and the employer. Also indicate whether relatives of the members of the selection committee are possible recipients or have been recipients.

5 Describe any procedures the organization has for supervising grants (such as obtaining reports or transcripts) that it awards and any procedures it has for taking action if the terms of the grant are violated.

Additional Information

Private foundations that make grants to individuals for travel, study, or other similar purposes are required to obtain advance approval of their grant procedures from the IRS. Such grants that are awarded under selection procedures that have not been approved by the IRS are subject to a 10% excise tax under section 4945. (See Regulations sections 53.4945-4(c) and (d).)

If you are requesting advance approval of the organization's grant procedures, the following sections apply to line **1c**:

4945(g)(1)—The grant constitutes a scholarship or fellowship grant that meets the provisions of section 117(a) prior to its amendment by the Tax Reform Act of 1986 and is to be used for study at an educational organization (school) described in section 170(b)(1)(A)(ii).

4945(g)(2)—The grant constitutes a prize or award that is subject to the provisions of section 74(b), if the recipient of such a prize or award is selected from the general public.

4945(g)(3)—The purpose of the grant is to achieve a specific objective, produce a report or other similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Schedule I. Successors to "For Profit" Institutions

1 What was the name of the predecessor organization and the nature of its activities?

2 Who were the owners or principal stockholders of the predecessor organization? (If more space is needed, attach schedule.)

Name and address	Share or interest

3 Describe the business or family relationship between the owners or principal stockholders and principal employees of the predecessor organization and the officers, directors, and principal employees of the applicant organization.

4a Attach a copy of the agreement of sale or other contract that sets forth the terms and conditions of sale of the predecessor organization or of its assets to the applicant organization.

b Attach an appraisal by an independent qualified expert showing the fair market value at the time of sale of the facilities or property interest sold.

5 Has any property or equipment formerly used by the predecessor organization been rented to the applicant organization or will any such property be rented? ☐ Yes ☐ No
If "Yes," explain and attach copies of all leases and contracts.

6 Is the organization leasing or will it lease or otherwise make available any space or equipment to the owners, principal stockholders, or principal employees of the predecessor organization? ☐ Yes ☐ No
If "Yes," explain and attach a list of these tenants and a copy of the lease for each such tenant.

7 Were any new operating policies initiated as a result of the transfer of assets from a profit-making organization to a nonprofit organization? ☐ Yes ☐ No
If "Yes," explain.

Additional Information

A "for profit" institution for purposes of Schedule I includes any organization in which a person may have a proprietary or partnership interest, hold corporate

stock, or otherwise exercise an ownership interest. The institution need not have operated for the purpose of making a profit.



Please type or print clearly.	1 Name of applicant (legal name) (see instructions)	
	2 Trade name of business (if different from name on line 1)	3 Executor, trustee, "care of" name
	4a Mailing address (street address) (room, apt., or suite no.)	5a Business address (if different from address on lines 4a and 4b)
	4b City, state, and ZIP code	5b City, state, and ZIP code
	6 County and state where principal business is located	
	7 Name of principal officer, general partner, grantor, owner, or trustor—SSN or ITIN may be required (see instructions) ►	

8a Type of entity (Check only one box.) (see instructions)
Caution: If applicant is a limited liability company, see the instructions for line 8a.

<input type="checkbox"/> Sole proprietor (SSN) _____	<input type="checkbox"/> Estate (SSN of decedent) _____
<input type="checkbox"/> Partnership	<input type="checkbox"/> Personal service corp.
<input type="checkbox"/> REMIC	<input type="checkbox"/> National Guard
<input type="checkbox"/> State/local government	<input type="checkbox"/> Farmers' cooperative
<input type="checkbox"/> Church or church-controlled organization	<input type="checkbox"/> Trust
<input type="checkbox"/> Other nonprofit organization (specify) ► _____	<input type="checkbox"/> Federal government/military
<input type="checkbox"/> Other (specify) ► _____	

8b If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country
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9 Reason for applying (Check only one box.) (see instructions)

<input type="checkbox"/> Started new business (specify type) ► _____	<input type="checkbox"/> Banking purpose (specify purpose) ► _____
<input type="checkbox"/> Hired employees (Check the box and see line 12.)	<input type="checkbox"/> Changed type of organization (specify new type) ► _____
<input type="checkbox"/> Created a pension plan (specify type) ► _____	<input type="checkbox"/> Purchased going business
	<input type="checkbox"/> Created a trust (specify type) ► _____
	<input type="checkbox"/> Other (specify) ► _____

10 Date business started or acquired (month, day, year) (see instructions)	11 Closing month of accounting year (see instructions)
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12 First date wages or annuities were paid or will be paid (month, day, year). **Note:** If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year) ►

13 Highest number of employees expected in the next 12 months. Note: If the applicant does not expect to have any employees during the period, enter -0-. (see instructions) ►	Nonagricultural	Agricultural	Household
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14 Principal activity (see instructions) ►

15 Is the principal business activity manufacturing? ☐ **Yes** ☐ **No**
If "Yes," principal product and raw material used ►

16 To whom are most of the products or services sold? Please check one box. ☐ Business (wholesale) ☐ N/A
☐ Public (retail) ☐ Other (specify) ►

17a Has the applicant ever applied for an employer identification number for this or any other business? ☐ **Yes** ☐ **No**
Note: If "Yes," please complete lines 17b and 17c.

17b If you checked "Yes" on line 17a, give applicant's legal name and trade name shown on prior application, if different from line 1 or 2 above.
Legal name ► Trade name ►

17c Approximate date when and city and state where the application was filed. Enter previous employer identification number if known.	
Approximate date when filed (mo., day, year)	City and state where filed
	Previous EIN

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.	Business telephone number (include area code) ()
	Fax telephone number (include area code) ()

Name and title (Please type or print clearly.) ►

Signature ►	Date ►
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Note: Do not write below this line. For official use only.

Please leave blank ►	Geo.	Ind.	Class	Size	Reason for applying
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form SS-4 to apply for an employer identification number (EIN). An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. The information you provide on this form will establish your business tax account.

Caution: An EIN is for use in connection with your business activities only. Do **not** use your EIN in place of your social security number (SSN).

Who Must File

You must file this form if you have not been assigned an EIN before and:

- You pay wages to one or more employees including household employees.
- You are required to have an EIN to use on any return, statement, or other document, even if you are not an employer.
- You are a withholding agent required to withhold taxes on income, other than wages, paid to a nonresident alien (individual, corporation, partnership, etc.). A withholding agent may be an agent, broker, fiduciary, manager, tenant, or spouse, and is required to file **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.
- You file **Schedule C**, Profit or Loss From Business, **Schedule C-EZ**, Net Profit From Business, or **Schedule F**, Profit or Loss From Farming, of **Form 1040**, U.S. Individual Income Tax Return, and have a Keogh plan or are required to file excise, employment, or alcohol, tobacco, or firearms returns.

The following must use EINs even if they do not have any employees:

- State and local agencies who serve as tax reporting agents for public assistance recipients, under Rev. Proc. 80-4, 1980-1 C.B. 581, should obtain a separate EIN for this reporting. See **Household employer** on page 3.
- Trusts, except the following:
 1. Certain grantor-owned trusts. (See the **Instructions for Form 1041**, U.S. Income Tax Return for Estates and Trusts.)
 2. Individual retirement arrangement (IRA) trusts, unless the trust has to file **Form 990-T**, Exempt Organization Business Income Tax Return. (See the **Instructions for Form 990-T**.)
- Estates
- Partnerships
- REMICs (real estate mortgage investment conduits) (See the **Instructions for Form 1066**, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.)
- Corporations
- Nonprofit organizations (churches, clubs, etc.)
- Farmers' cooperatives
- Plan administrators (A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.)

When To Apply for a New EIN

New Business. If you become the new owner of an existing business, **do not** use the EIN of the former owner. **If you already have an EIN, use that number.** If you do not have an EIN, apply for one on this form. If you become the "owner" of a corporation by acquiring its stock, use the corporation's EIN.

Changes in Organization or Ownership. If you already have an EIN, you may need to get a new one if either the organization or ownership of your business changes. If you incorporate a sole proprietorship or form a partnership, you must get a new EIN. However, **do not** apply for a new EIN if:

- You change only the name of your business,
- You elected on **Form 8832**, Entity Classification Election, to change the way the entity is taxed, or
- A partnership terminates because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. (See Regulations section 301.6109-1(d)(2)(iii).) The EIN for the terminated partnership should continue to be used.

Note: If you are electing to be an "S corporation," be sure you file **Form 2553**, Election by a Small Business Corporation.

File Only One Form SS-4. File only one Form SS-4, regardless of the number of businesses operated or trade names under which a business operates. However, each corporation in an affiliated group must file a separate application.

EIN Applied for, But Not Received. If you do not have an EIN by the time a return is due, write "Applied for" and the date you applied in the space shown for the number. **Do not** show your social security number (SSN) as an EIN on returns.

If you do not have an EIN by the time a tax deposit is due, send your payment to the Internal Revenue Service Center for your filing area. (See **Where To Apply** below.) Make your check or money order payable to "United States Treasury" and show your name (as shown on Form SS-4), address, type of tax, period covered, and date you applied for an EIN. Send an explanation with the deposit.

For more information about EINs, see **Pub. 583**, Starting a Business and Keeping Records, and **Pub. 1635**, Understanding Your EIN.

How To Apply

You can apply for an EIN either by mail or by telephone. You can get an EIN immediately by calling the Tele-TIN number for the service center for your state, or you can send the completed Form SS-4 directly to the service center to receive your EIN by mail.

Application by Tele-TIN. Under the Tele-TIN program, you can receive your EIN by telephone and use it immediately to file a return or make a payment. To receive an EIN by telephone, complete Form SS-4, then call the Tele-TIN number listed for your state under **Where To Apply**. The person making the call must be authorized to sign the form. (See **Signature** on page 4.)

An IRS representative will use the information from the Form SS-4 to establish your account and assign you an EIN. Write the number you are given on the upper right corner of the form and sign and date it.

Mail or fax (facsimile) the signed Form SS-4 **within 24 hours** to the Tele-TIN Unit at the service center address for your state. The IRS representative will give you the fax number. The fax numbers are also listed in Pub. 1635.

Taxpayer representatives can receive their client's EIN by telephone if they first send a fax of a completed **Form 2848**, Power of Attorney and Declaration of Representative, or **Form 8821**, Tax Information Authorization, to the Tele-TIN unit. The Form 2848 or Form 8821 will be used solely to release the EIN to the representative authorized on the form.

Application by Mail. Complete Form SS-4 at least 4 to 5 weeks before you will need an EIN. Sign and date the application and mail it to the service center address for your state. You will receive your EIN in the mail in approximately 4 weeks.

Where To Apply

The Tele-TIN numbers listed below will involve a long-distance charge to callers outside of the local calling area and can be used only to apply for an EIN. **The numbers may change without notice.** Call 1-800-829-1040 to verify a number or to ask about the status of an application by mail.

If your principal business, office or agency, or legal residence in the case of an individual, is located in:

Call the Tele-TIN number shown or file with the Internal Revenue Service Center at:

Florida, Georgia, South Carolina

Attn: Entity Control
Atlanta, GA 39901
770-455-2360

New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)

Attn: Entity Control
Holtsville, NY 00501
516-447-4955

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Attn: Entity Control
Andover, MA 05501
978-474-9717

Illinois, Iowa, Minnesota, Missouri, Wisconsin

Attn: Entity Control
Stop 6800
2306 E. Bannister Rd.
Kansas City, MO 64999
816-926-5999

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia

Attn: Entity Control
Philadelphia, PA 19255
215-516-6999

Indiana, Kentucky, Michigan, Ohio, West Virginia

Attn: Entity Control
Cincinnati, OH 45999
859-292-5467

Kansas, New Mexico, Oklahoma, Texas	Attn: Entity Control Austin, TX 73301 512-460-7843
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Attn: Entity Control Mail Stop 6271 P.O. Box 9941 Ogden, UT 84201 801-620-7645
California (all other counties), Hawaii	Attn: Entity Control Fresno, CA 93888 559-452-4010
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Attn: Entity Control Memphis, TN 37501 901-546-3920
If you have no legal residence, principal place of business, or principal office or agency in any state	Attn: Entity Control Philadelphia, PA 19255 215-516-6999

Specific Instructions

The instructions that follow are for those items that are not self-explanatory. Enter N/A (nonapplicable) on the lines that do not apply.

Line 1. Enter the legal name of the entity applying for the EIN exactly as it appears on the social security card, charter, or other applicable legal document.

Individuals. Enter your first name, middle initial, and last name. If you are a sole proprietor, enter your individual name, not your business name. Enter your business name on line 2. Do not use abbreviations or nicknames on line 1.

Trusts. Enter the name of the trust.

Estate of a decedent. Enter the name of the estate.

Partnerships. Enter the legal name of the partnership as it appears in the partnership agreement. **Do not** list the names of the partners on line 1. See the specific instructions for line 7.

Corporations. Enter the corporate name as it appears in the corporation charter or other legal document creating it.

Plan administrators. Enter the name of the plan administrator. A plan administrator who already has an EIN should use that number.

Line 2. Enter the trade name of the business if different from the legal name. The trade name is the "doing business as" name.

Note: Use the full legal name on line 1 on all tax returns filed for the entity. However, if you enter a trade name on line 2 and choose to use the trade name instead of the legal name, enter the trade name on all returns you file. To prevent processing delays and errors, **always** use either the legal name only or the trade name only on all tax returns.

Line 3. Trusts enter the name of the trustee. Estates enter the name of the executor, administrator, or other fiduciary. If the entity applying has a designated person to receive tax information, enter that person's name as the "care of" person. Print or type the first name, middle initial, and last name.

Line 7. Enter the first name, middle initial, last name, and SSN of a principal officer if the business is a corporation; of a general partner if a partnership; of the owner of a single member entity that is disregarded as an entity separate from its owner; or of a grantor, owner, or trustor if a trust. If the person in question is an alien individual with a previously assigned individual taxpayer identification number (ITIN), enter the ITIN in the space provided, instead of an SSN. You are not required to enter an SSN or ITIN if the reason you are applying for an EIN is to make an entity classification election (see Regulations section 301.7701-1 through 301.7701-3), and you are a nonresident alien with no effectively connected income from sources within the United States.

Line 8a. Check the box that best describes the type of entity applying for the EIN. If you are an alien individual with an ITIN previously assigned to you, enter the ITIN in place of a requested SSN.

Caution: This is not an election for a tax classification of an entity. See "Limited liability company (LLC)" below.

If not specifically mentioned, check the "Other" box, enter the type of entity and the type of return that will be filed (for example, common trust fund, Form 1065). Do not enter N/A. If you are an alien individual applying for an EIN, see the **Line 7** instructions above.

Sole proprietor. Check this box if you file Schedule C, C-EZ, or F (Form 1040) and have a qualified plan, or are required to file excise, employment, or alcohol, tobacco, or firearms returns, or are a payer of gambling winnings. Enter your SSN (or ITIN) in the space provided. If you are a nonresident alien with are a nonresident alien with no effectively

connected income from sources within the United States, you do not need to enter an SSN or ITIN.

REMIC. Check this box if the entity has elected to be treated as a real estate mortgage investment conduit (REMIC). See the Instructions for Form 1066 for more information.

Other nonprofit organization. Check this box if the nonprofit organization is other than a church or church-controlled organization and specify the type of nonprofit organization (for example, an educational organization).

If the organization also seeks tax-exempt status, you must file either **Package 1023**, Application for Recognition of Exemption, or **Package 1024**, Application for Recognition of Exemption Under Section 501(a). Get **Pub. 557**, Tax Exempt Status for Your Organization, for more information.

Group exemption number (GEN). If the organization is covered by a group exemption letter, enter the four-digit GEN. (Do not confuse the GEN with the nine-digit EIN.) If you do not know the GEN, contact the parent organization. Get Pub. 557 for more information about group exemption numbers.

Withholding agent. If you are a withholding agent required to file Form 1042, check the "Other" box and enter "Withholding agent."

Personal service corporation. Check this box if the entity is a personal service corporation. An entity is a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners, and
- The employee-owners own at least 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

Personal services include performance of services in such fields as health, law, accounting, or consulting. For more information about personal service corporations, see the **Instructions for Forms 1120 and 1120-A**, and **Pub. 542**, Corporations.

Limited liability company (LLC). See the definition of limited liability company in the **Instructions for Form 1065**, U.S. Partnership Return of Income. An LLC with two or more members can be a partnership or an association taxable as a corporation. An LLC with a single owner can be an association taxable as a corporation or an entity disregarded as an entity separate from its owner. See Form 8832 for more details.

Note: A domestic LLC with at least two members that does not file Form 8832 is classified as a partnership for Federal income tax purposes.

- If the entity is classified as a partnership for Federal income tax purposes, check the "partnership" box.
- If the entity is classified as a corporation for Federal income tax purposes, check the "Other corporation" box and write "limited liability co." in the space provided.
- If the entity is disregarded as an entity separate from its owner, check the "Other" box and write in "disregarded entity" in the space provided.

Plan administrator. If the plan administrator is an individual, enter the plan administrator's SSN in the space provided.

Other corporation. This box is for any corporation other than a personal service corporation. If you check this box, enter the type of corporation (such as insurance company) in the space provided.

Household employer. If you are an individual, check the "Other" box and enter "Household employer" and your SSN. If you are a state or local agency serving as a tax reporting agent for public assistance recipients who become household employers, check the "Other" box and enter "Household employer agent." If you are a trust that qualifies as a household employer, you do not need a separate EIN for reporting tax information relating to household employees; use the EIN of the trust.

QSub. For a qualified subsidiary S subsidiary (QSub) check the "Other" box and specify "QSub."

Line 9. Check only **one** box. Do not enter N/A.

Started new business. Check this box if you are starting a new business that requires an EIN. If you check this box, enter the type of business being started. **Do not** apply if you already have an EIN and are only adding another place of business.

Hired employees. Check this box if the existing business is requesting an EIN because it has hired or is hiring employees and is therefore required to file employment tax returns. **Do not** apply if you already have an EIN and are only hiring employees. For information on the applicable employment taxes for family members, see **Circular E**, Employer's Tax Guide (Publication 15).

Created a pension plan. Check this box if you have created a pension plan and need an EIN for reporting purposes. Also, enter the type of plan.

Note: Check this box if you are applying for a trust EIN when a new pension plan is established.

Banking purpose. Check this box if you are requesting an EIN for banking purposes only, and enter the banking purpose (for example, a bowling league for depositing dues or an investment club for dividend and interest reporting).

Changed type of organization. Check this box if the business is changing its type of organization, for example, if the business was a sole proprietorship and has been incorporated or has become a partnership. If you check this box, specify in the space provided the type of change made, for example, "from sole proprietorship to partnership."

Purchased going business. Check this box if you purchased an existing business. **Do not** use the former owner's EIN. **Do not** apply for a new EIN if you already have one. Use your own EIN.

Created a trust. Check this box if you created a trust, and enter the type of trust created. For example, indicate if the trust is a nonexempt charitable trust or a split-interest trust.

Note: Do not check this box if you are applying for a trust EIN when a new pension plan is established. Check "Created a pension plan."

Exception. Do not file this form for certain grantor-type trusts. The trustee does not need an EIN for the trust if the trustee furnishes the name and TIN of the grantor/owner and the address of the trust to all payors. See the Instructions for Form 1041 for more information.

Other (specify). Check this box if you are requesting an EIN for any other reason, and enter the reason.

Line 10. If you are starting a new business, enter the starting date of the business. If the business you acquired is already operating, enter the date you acquired the business. Trusts should enter the date the trust was legally created. Estates should enter the date of death of the decedent whose name appears on line 1 or the date when the estate was legally funded.

Line 11. Enter the last month of your accounting year or tax year. An accounting or tax year is usually 12 consecutive months, either a calendar year or a fiscal year (including a period of 52 or 53 weeks). A calendar year is 12 consecutive months ending on December 31. A fiscal year is either 12 consecutive months ending on the last day of any month other than December or a 52-53 week year. For more information on accounting periods, see **Pub. 538**, Accounting Periods and Methods.

Individuals. Your tax year generally will be a calendar year.

Partnerships. Partnerships generally must adopt one of the following tax years:

- The tax year of the majority of its partners,
- The tax year common to all of its principal partners,
- The tax year that results in the least aggregate deferral of income, or
- In certain cases, some other tax year.

See the Instructions for Form 1065 for more information.

REMIC. REMICs must have a calendar year as their tax year.

Personal service corporations. A personal service corporation generally must adopt a calendar year unless:

- It can establish a business purpose for having a different tax year, or
- It elects under section 444 to have a tax year other than a calendar year.

Trusts. Generally, a trust must adopt a calendar year except for the following:

- Tax-exempt trusts,
- Charitable trusts, and
- Grantor-owned trusts.

Line 12. If the business has or will have employees, enter the date on which the business began or will begin to pay wages. If the business does not plan to have employees, enter N/A.

Withholding agent. Enter the date you began or will begin to pay income to a nonresident alien. This also applies to individuals who are required to file Form 1042 to report alimony paid to a nonresident alien.

Line 13. For a definition of agricultural labor (farmwork), see **Circular A**, Agricultural Employer's Tax Guide (Publication 51).

Line 14. Generally, enter the exact type of business being operated (for example, advertising agency, farm, food or beverage establishment, labor union, real estate agency, steam laundry, rental of coin-operated vending machine, or investment club). Also state if the business will involve the sale or distribution of alcoholic beverages.

Governmental. Enter the type of organization (state, county, school district, municipality, etc.).

Nonprofit organization (other than governmental). Enter whether organized for religious, educational, or humane purposes, and the principal activity (for example, religious organization—hospital, charitable).

Mining and quarrying. Specify the process and the principal product (for example, mining bituminous coal, contract drilling for oil, or quarrying dimension stone).

Contract construction. Specify whether general contracting or special trade contracting. Also, show the type of work normally performed (for example, general contractor for residential buildings or electrical subcontractor).

Food or beverage establishments. Specify the type of establishment and state whether you employ workers who receive tips (for example, lounge—yes).

Trade. Specify the type of sales and the principal line of goods sold (for example, wholesale dairy products, manufacturer's representative for mining machinery, or retail hardware).

Manufacturing. Specify the type of establishment operated (for example, sawmill or vegetable cannery).

Signature. The application must be signed by (a) the individual, if the applicant is an individual, (b) the president, vice president, or other principal officer, if the applicant is a corporation, (c) a responsible and duly authorized member or officer having knowledge of its affairs, if the applicant is a partnership or other unincorporated organization, or (d) the fiduciary, if the applicant is a trust or an estate.

How To Get Forms and Publications

Phone. You can order forms, instructions, and publications by phone 24 hours a day, 7 days a week. Just call 1-800-TAX-FORM (1-800-829-3676). You should receive your order or notification of its status within 10 workdays.

Personal computer. With your personal computer and modem, you can get the forms and information you need using IRS's Internet Web Site at www.irs.gov or File Transfer Protocol at [ftp.irs.gov](ftp://ftp.irs.gov).

CD-ROM. For small businesses, return preparers, or others who may frequently need tax forms or publications, a CD-ROM containing over 2,000 tax products (including many prior year forms) can be purchased from the National Technical Information Service (NTIS).

To order **Pub. 1796**, Federal Tax Products on CD-ROM, call **1-877-CDFORMS** (1-877-233-6767) toll free or connect to www.irs.gov/cdorders

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to comply with section 6109 and the regulations thereunder which generally require the inclusion of an employer identification number (EIN) on certain returns, statements, or other documents filed with the Internal Revenue Service. Information on this form may be used to determine which Federal tax returns you are required to file and to provide you with related forms and publications. We disclose this form to the Social Security Administration for their use in determining compliance with applicable laws. We will be unable to issue an EIN to you unless you provide all of the requested information which applies to your entity.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns/return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	7 min.
Learning about the law or the form	22 min.
Preparing the form	46 min.
Copying, assembling, and sending the form to the IRS	20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **Where To Apply** on page 2.



CHAPTER 5

ARTICLES OF INCORPORATION

I. DEFINITION

It is the filing the articles of incorporation forms the corporation. No corporation can exist without filing articles. The articles are filed with the secretary of state of the state in which the corporation is being formed. Out-of-state corporations (called foreign corporations) are also required to register with the secretary of state so their operations can be monitored.

Each state has its own requirements concerning the contents of the articles of incorporation for a corporation formed under its laws. The articles of incorporation used in this book are designed to meet the requirements of all states. If the articles are rejected in a particular state because of some recent change, the user will be told what provision needs to be changed, and the change will be easy to incorporate in the articles which can then be refiled.

The purpose of this book is to aid the user in forming a nonprofit corporation inexpensively. The normal cost of attorney fees for an incorporation is from \$500 to several thousand dollars. Therefore, even if some minor retyping or additions to the articles are needed, the cost savings makes it worthwhile.

II. CONTENTS

The articles of a corporation can contain anything the corporation wants that does not violate state law. The reason the

corporation might want certain matters in the articles rather than the bylaws is that the articles cannot easily be amended. Most articles, however, contain only the bare basics required under state law. All states require the articles to contain the following minimum information:

A. NAME OF THE CORPORATION

Obviously, the articles must state the name of the corporation. The name of a proposed corporation must not be so similar to an existing corporation as to be confusing. Should that happen, the new corporation can be sued for trade infringement. To avoid that confusion, unless absolutely sure that no other corporation has a similar name, the incorporator should contact the secretary of state's office and search for the name. Sometimes it is free, but usually the secretary of state will charge for a name search and will for a fee reserve the proposed name for the new corporation, if available.

In each state there are attorney service companies located in the state's capital that will do the name search, reservation and file the articles for a slight fee (usually \$50). This is a bargain when the incorporator does not live near the secretary of state's office. The attorney service companies are listed in the phone book for the state capital.

B. PURPOSE

The articles must state the purpose for which a corporation is

formed. Previously, a corporation had to state what specific type of business it was going to do. Today, most states will accept a simple statement that the corporation is formed to do any business which is legal and in furtherance of its stated nonprofit goals.

C. AGENT FOR SERVICE OF PROCESS

All states require that a corporation have an agent residing in the state to receive process (accept service of a complaint and legal notification of all orders). Usually this is no problem because the shareholders live in the state and one of them agrees to be the resident agent. Most states, such as California, require the articles to name only the agent and give his address.

Nevada, however, requires that the agent actually sign a notarized acceptance of the appointment. For states that require the agent to sign an acceptance there is a general acceptance form for the notification. Every corporation should file an acceptance of appointment with their articles. If the acceptance is not required under state law, the secretary of state will simply return it. New York has a special requirement that the incorporator appoint the secretary of state the agent for service of process. Following this chapter are sample articles for a New York corporation.

D. MEMBERSHIP CERTIFICATES

The issuance of membership certificates completes the incorporation process. Persons or entities that own a membership

certificate are members of the corporation as long as they pay their annual dues. Only those persons and entities who possess membership certificates and are valid members of the corporation can participate in the management of the corporation. Determination of the type of membership certificate which the corporation will adopt is made at the first meeting of directors.

E. STATEMENT OF INITIAL DIRECTORS

Most states require that the initial directors and their addresses be listed in the articles. The State Laws chapter lists the minimum number of directors that a nonprofit corporation formed in that state must have.

F. TERM

One of the advantages of a corporation is that it can have perpetual existence. Unlike a partnership or an association, it can survive the death of its owners. The articles in this book make it clear that the corporation is intended to have perpetual existence and survive the death of all members.

G. MEETINGS

The Corporate Meetings chapter outlines the basic form for minutes of corporate meetings and contains sample minutes. The more removed the corporate management is from that of a normal corporation, the greater the likelihood of a successful creditor challenge that the business is not truly a nonprofit corporation but is the alter ego of its members. In that circumstance, the

corporation will be treated as a partnership, and the members will become individually and personally liable for the debts of the non-profit corporation.

H. WHERE TO FILE THE ARTICLES OF INCORPORATION

ALABAMA. Alabama is unique. It is one of three jurisdictions (District of Columbia and Arkansas are the others) where the incorporator does not file the articles directly with the secretary of state or the department of corporations. Instead, the incorporator files the articles and two copies with the probate judge of the county where the corporation will have its registered office. The judge then issues a certificate of incorporation to the incorporators. Within 10 days of filing of the articles, the probate judge sends the original articles to the secretary of state.

ALASKA
DEPARTMENT OF COMMERCE
CORPORATIONS DIVISION
Pouch D
Juneau, AK 99811

ARIZONA
CORPORATIONS COMMISSION
PHOENIX, AZ 85007

ARKANSAS. Arkansas is rare. It is one of three jurisdictions (District of Columbia and Arizona are the others) where the incorporator does not file the articles directly with the secretary of state or the department of corporations. Instead, the incorporator files the articles and two copies with the circuit court of the county where the corporation will have its registered office. The judge of the court then issues an approval of the articles of incorporation. The judge sends the approval and two copies of the articles to the secretary of state for filing.

CALIFORNIA
SECRETARY OF STATE

SACRAMENTO, CA 95814

COLORADO
SECRETARY OF STATE
DENVER, CO 80302

CONNECTICUT
SECRETARY OF STATE
HARTFORD, CT 06115

DELAWARE
SECRETARY OF STATE
DOVER, DE 19903

DISTRICT OF COLUMBIA is different. It is one of three jurisdictions (Alabama and Arkansas are the others) where the incorporator does not file the articles directly with the secretary of state or the department of corporations. Instead, the incorporator files the articles and a copy with the mayor's office of the District of Columbia. The mayor then issues a certificate of incorporation if the articles are in order.

FLORIDA
SECRETARY OF STATE
TALLAHASSEE, FL 32304

GEORGIA
SECRETARY OF STATE
ATLANTA, GA 30334

HAWAII
DIRECTOR OF
REGULATORY AGENCIES
P.O. BOX 40
HONOLULU, HI 96813

IDAHO
SECRETARY OF STATE
BOISE, ID 83720

ILLINOIS
SECRETARY OF STATE
SPRINGFIELD, IL 62706

INDIANA
SECRETARY OF STATE

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INDIANAPOLIS, IN 46204

IOWA
SECRETARY OF STATE
DES MOINES, IA 50319

KANSAS
SECRETARY OF STATE
TOPEKA, KS 66612

KENTUCKY
SECRETARY OF STATE
FRANKFORT, KY 40601

LOUISIANA
SECRETARY OF STATE
BATON ROUGE, LA 70804

MAINE
SECRETARY OF STATE
AUGUSTA, ME 04333

MARYLAND
STATE DEPT. OF ASSESSMENTS & TAXATION
BALTIMORE, MD 21200

MASSACHUSETTS
SECRETARY OF THE
COMMONWEALTH
BOSTON, MA 02133

MICHIGAN
SECRETARY OF STATE
P. O. BOX 30054
LANSING, MI 48909

MINNESOTA
SECRETARY OF STATE

MISSISSIPPI
SECRETARY OF STATE
JACKSON, MS 39205

MISSOURI
SECRETARY OF STATE
JEFFERSON CITY, MO 65101

MONTANA
SECRETARY OF STATE

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HELENA, MT 59601

NEBRASKA
SECRETARY OF STATE
LINCOLN, NE 68509

NEVADA
SECRETARY OF STATE
CARSON CITY, NV 89701

NEW HAMPSHIRE
SECRETARY OF STATE
CONCORD, NH 03301

NEW JERSEY
SECRETARY OF STATE
TRENTON, NJ 08625

NEW MEXICO
STATE CORPORATIONS COMMISSION
SANTA FE, NM 97501

NEW YORK
SECRETARY OF STATE
ALBANY, NY 12231

NORTH CAROLINA
SECRETARY OF STATE
RALEIGH, NC 27611

NORTH DAKOTA
SECRETARY OF STATE
BISMARCK, ND 58501

OHIO
SECRETARY OF STATE
COLUMBUS, OH 43216

OKLAHOMA
SECRETARY OF STATE
OKLAHOMA CITY, OK 73152

OREGON
CORPORATIONS COMMISSIONER
SALEM. OR 97310

PENNSYLVANIA
SECRETARY OF STATE
HARRISBURG, PA 17101

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RHODE ISLAND
SECRETARY OF STATE
PROVIDENCE, RI 02903

SOUTH CAROLINA
SECRETARY OF STATE
COLUMBIA, SC 29202

SOUTH DAKOTA
SECRETARY OF STATE
PIERRE, SD 57501

TENNESSEE
SECRETARY OF STATE
NASHVILLE, TN 37219

TEXAS
SECRETARY OF STATE
AUSTIN, TX 78711

UTAH
DIVISION OF CORPORATIONS AND COMMERCIAL CODE
P. O. BOX 4581
SALT LAKE CITY, UT 84145

VERMONT
SECRETARY OF STATE
MONTPELIER, VT 05602

VIRGINIA
STATE CORPORATIONS COMMISSIONER
RICHMOND, VA 23202

WASHINGTON
SECRETARY OF STATE
OLYMPIA, WA 98504

WEST VIRGINIA
SECRETARY OF STATE
CHARLESTON, WV 25305

WISCONSIN
SECRETARY OF STATE
MADISON, WI 53702

WYOMING
SECRETARY OF STATE
CHEYENNE, WY 82001

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III. BASIC ARTICLES FOR THE FOLLOWING STATES

ALABAMA	IDAHO	NEBRASKA	VERMONT
ALASKA	IOWA	NEW MEXICO	VIRGINIA
ARIZONA	KANSAS	NEVADA	WASHINGTON
ARKANSAS	KENTUCKY	TEXAS	WEST VIRGINIA
COLORADO	MAINE	UTAH	WISCONSIN
FLORIDA	MARYLAND	N. DAKOTA	WYOMING
GEORGIA	MISSOURI	OHIO	
HAWAII	MISSISSIPPI	RHODE ISLAND	

Most of the states have adopted either the Model Nonprofit Corporation Law or the Revised Model Nonprofit Law. As a result the following basic set of articles can be used in each of the foregoing states. The remaining states have either not adopted the above laws or have imposed their own additional requirements and are therefore treated separately.

NOTE: Vermont calls its formation "Articles of Association"

Note: Arizona has a special requirement under section 10-128 that a "Certificate of Disclosure" accompany the Articles of Incorporation. This "Certificate of Disclosure" applies to the corporation's directors and officers and any person or entity which has 10% or more membership or beneficial or proprietary interest in the corporation. Both the Articles of incorporation and the form for the Certificate of Disclosure put out by the Arizona Secretary of State are included at the end of this section

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ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of _____ .

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax

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code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors shall undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943© of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal

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Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock but instead have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

EIGHTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows:_____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

NINTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the

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corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

TENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

ELEVENTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is

GABRIEL-NONPROFIT CORPORATIONS-146

then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

TWELFTH: The names and addresses of the incorporators who are signing these Articles of Incorporation are: _____

THIRTEENTH: The corporation shall have perpetual existence.

FOURTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 200____.

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DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names are subscribed below.
2. We are incorporators of _____
_____ and that we have executed these Articles of Incorporation.
3. The foregoing Articles of Incorporation are our act and deed.

Executed on _____, 200____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature

**Corporations Division
Arizona Corporation Commission
1300 W. Washington
Phoenix, AZ 85007**

(or)

**400 W. Congress
Tucson, AZ 85701**

Re: NONPROFIT ARTICLES OF INCORPORATION

To: Corporate Filings

Enclosed please find our Certificate of Disclosure, a check for forty dollars (\$40), and an original plus two (2) copies of our Articles of Incorporation.

Please be advised that we of (Name of Corporation) have selected the date of _____ to be our Fiscal Date. We understand that an Annual Report will be due in the fourth month following the close of our fiscal year, and that the Corporation Commission will mail our corporation an Annual Report that must be fully completed and returned to the Commission with the appropriate fees once each year. We also understand that failure to return a complete and accurate Annual Report may result in our corporation's administrative dissolution.

The corporate address shall be:

We shall immediately notify the Corporation Commission, in writing, of any change to this address.

Please return the filed copies to:

Sincerely,

**DO NOT PUBLISH
THIS SECTION**

ARTICLE 1

If you are the holder or assignee of a tradename or trademark, attach Declaration of Tradename Holder form.

ARTICLES 2

The Internal Revenue Code places certain restrictions upon the purpose of a tax exempt non profit corporation. Please refer to Federal Publication #557, available at your local IRS office, before completing this articles.

ARTICLE 3

The name cannot imply that the corporation is organized for any character of affairs other than the initial business indicated in this article.

ARTICLE 4

This Articles is included for the purpose of obtaining tax-exempt status with the IRS and to comply with A.R.S. §10-2326. If the corporation intends to apply for tax-exempt status, you will need to cite the specific Section of the IRS code, as amended, under which the corporation plans to organize. For further information please refer to publication #557.

ARTICLE 5

Insert applicable Section number of the IRS Code. See Article 5.

**ARTICLES OF INCORPORATION
OF A TAX-EXEMPT**

(Arizona Non-Profit Corporation)

1. Name: The Name of the Corporation is _____

2. Purpose: The purpose for which the corporation is organized is: _____

3. Character of Affairs: The character of affairs of the corporation will be: _____

4. No part of the net earning of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements,) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section _____ of the Internal Revenue Code of _____ (or the corresponding provision of any future United States Internal Revenue Law) or: (b) by a corporation, contributions to which are deductible under Section _____ of the Internal Revenue Code of _____ (or the corresponding provisions of any future United States Internal Revenue Laws).

5. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section ____ of the Internal Revenue Code of _____ (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principle office of the corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

**DO NOT PUBLISH
THIS SECTION**

ARTICLE 6

This provision is not mandatory. See A.R.S. §10-3302.14.

ARTICLE 7

A minimum of 1 director is required.

Name:

Address:

City, State, Zip:

Name:

Address:

City, State, Zip:

ARTICLE 8

May be in care of the statutory agent.

ARTICLE 9

The statutory agent address cannot be a P.O. Box. It must be a physical address in Arizona. The agent must sign the Articles or provide a consent to acceptance of appointment.

Name:

Address:

City, State, Zip:

ARTICLE 10

A minimum of 1 incorporator is required. All incorporators must sign both the Articles of Incorporation and the Certificate of Disclosure.

6. The power of indemnification under the Arizona Revised Statutes shall not be denied or limited by the bylaws.

7. Board of Directors The initial board of directors shall consist of _____ director(s). The name(s) and address(es) of the person(s) who is(are) to serve as the director(s) until the first annual meeting of the members, if a member corporation, or Board of Directors, if the corporation has no members, or until his(her)(their) successor(s) is(are) elected and qualifies is(are):

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws.

8. Known Place of Business. (In Arizona) The street address of the known place of business of the Corporation is:

9. Statutory Agent. (In Arizona) The name and address of the statutory agent of the Corporation is:

10. Incorporators. The name(s) and address(es) of the incorporator(s) is (are):

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

11. Q (check this box, if this provision will apply to your corporation.)

DISCRIMINATION: The corporation will not practice or permit discrimination on the basis of sex, age, race, national origin, religion, or physical handicap or disability.

**DO NOT PUBLISH
THIS SECTION**

ARTICLE 12

The Articles must indicate if the corporation will, or will not have members.

Phone and fax numbers are optional

The agent may consent to the appointment by either executing the consent, attaching a cover letter, or if paying by check, executing the check

The Articles must be accompanied by a Certificate of Disclosure, executed within 30 days of delivery to the Commission, by all incorporators.

CF:0041 - For TAX-EXEMPT
Non Profit Corporations
Rev: 4/00a

12. MEMBERS (Check One)

The corporation _____ will _____ will not have members.

EXECUTED this _____ day of _____, _____ by all of the incorporators.

Signed: _____

[Print Name Here]

[Print Name Here]

PHONE _____ FAX _____

Acceptance of Appointment By Statutory Agent

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this _____ day of _____, _____.

Signed _____

[Print Name Here]

**ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION**

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

**NONPROFIT
CERTIFICATE OF DISCLOSURE
A.R.S. Section 10-3202.D.**

EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, or incorporator in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction?; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes _____ No _____

B. IF YES, the following information MUST be attached:

- | | |
|--|---|
| <ol style="list-style-type: none">1. Full name and prior name(s) used.2. Full birth name.3. Present home address.4. Prior addresses (for immediate preceding 7-year period).5. Date and location of birth. | <ol style="list-style-type: none">6. Social Security number.7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case. |
|--|---|

C. Has any person serving either by election or appointment as an officer, director, trustee or incorporator of the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked, or administratively dissolved by any jurisdiction?

Yes _____ No _____

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- | | |
|--|--|
| <ol style="list-style-type: none">1. Name and address of the corporation.2. Full name, including alias and address of each person involved.3. State(s) in which the corporation:<ol style="list-style-type: none">(a) Was incorporated.(b) Has transacted business. | <ol style="list-style-type: none">4. Dates of corporate operation.5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency and the file or cause number of the case. |
|--|--|

D. The fiscal year end adopted by the corporation is _____.

Under penalties of law, the undersigned incorporators/officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____

BY _____ DATE _____
TITLE _____


DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. (If more than four Incorporators, please attach remaining signatures on a separate sheet of paper.)

If within sixty days, any person becomes an officer, director, or trustee and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by all incorporators, or if officers have been elected, by a duly authorized officer.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

CF: 0001 - Non-Profit

Rev: 9/00

Form 202 (revised 9/00)	<div style="text-align: right;">This space reserved for office use.</div> <div style="text-align: center;">  </div> <div style="text-align: center;"> Articles of Incorporation Pursuant to Article 3.02 Texas Non-Profit Corporation Act </div>
Return in Duplicate to: Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$25	

Article 1 – Corporate Name				
The corporation formed is a non-profit corporation. The name of the corporation is as set forth below:				
The name must not be the same as, deceptively similar to or similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for “name availability” is recommended.				
Article 2 – Registered Agent and Registered Office (Select and complete <u>either</u> A or B and complete C.)				
<input type="checkbox"/> A. The initial registered agent is a corporation (cannot be corporation named above) by the name of:				
OR				
<input type="checkbox"/> B. The initial registered agent is an individual resident of the state whose name is set forth below.				
First Name	M.I.	Last Name	Suffix	
C. The business address of the registered agent and the registered office address is:				
Street Address	City	TX	Zip Code	
Article 3 – Management (Complete items A or B)				
A. <input type="checkbox"/> Management of the affairs of the corporation is to be vested in the members of the corporation.				
OR				
B. <input type="checkbox"/> Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below:				
Director 1: First Name	M.I.	Last Name	Suffix	
Street Address	City	State	Zip Code	
Director 2: First Name	M.I.	Last Name	Suffix	
Street Address	City	State	Zip Code	
Director 3: First Name	M.I.	Last Name	Suffix	
Street Address	City	State	Zip Code	

Article 4 – Organizational Structure

(You must select either A or B below.)

☐ A: The corporation will have members. ☐ B: The corporation will not have members.

Article 5 – Duration

The period of duration is perpetual.

Article 6– Purpose

The corporation is organized for the following purpose or purposes:

Supplemental Provisions/Information

Text Area

Incorporator

The name and address of the incorporator is set forth below.

Name

Street Address

City

State

Zip Code

Execution

The undersigned incorporator signs these articles of incorporation subject to the penalty imposed by article 9.03A, Texas Non-Profit Corporation Act, for the submission of a false or fraudulent document.

Signature of incorporator

**IV. BASIC ARTICLES OF INCORPORATION FOR
MINNESOTA, NORTH CAROLINA, PENNSYLVANIA**

The following basic articles are sufficient for each of the above states except for the Second Article. Each of the state's have their own requirements for the Second Article.

Minnesota requires that the Second Article state that the corporation is formed pursuant to Chapter 317A of the Minnesota Nonprofit Corporation Act.

North Carolina requires that the Second Article state that the corporation was formed after the effective date of the North Carolina Nonprofit Corporation Act.

Pennsylvania requires that the Second Article state that the corporation was incorporated under the Pennsylvania Nonprofit Corporation Law of 1988.

Only the first five Articles for each state are set forth, then Article Six begins on Page 160 and from thereon the Articles are the same for each state.

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ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

_____.

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of Minnesota and is formed pursuant to Chapter 317a of the Minnesota Nonprofit Corporation Act.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of Minnesota.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

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ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of North Carolina and was formed after the effective date of the North Carolina Nonprofit Corporation Act.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of North Carolina.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

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ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be: _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of Pennsylvania and was incorporated under the Pennsylvania Nonprofit Corporation Law of 1988.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of Pennsylvania.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt

GABRIEL-NONPROFIT CORPORATIONS-159

organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

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SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the directors shall undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943© of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock but instead

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have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

EIGHTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows: _____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

NINTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not

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carry on any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

TENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

ELEVENTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

TWELFTH: The names and addresses of the incorporators who are signing these Articles of Incorporation are: _____

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THIRTEENTH: The corporation shall have perpetual existence.

FOURTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 200____.

DECLARATION

The undersigned declare under penalty of perjury under the
laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed
these Articles of Incorporation.
3. The foregoing Articles of Incorporation are our act
and deed.

Executed on _____, 200____ at _____

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_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____

personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature

ORGANIZATION OF CALIFORNIA NONPROFIT, NONSTOCK CORPORATIONS

California nonprofit, nonstock corporations organized for religious, charitable, social, educational, recreational or similar purposes are formed under the Nonprofit Corporation Law, commencing with California Corporations Code [Section 5000](#).

The three primary types of nonprofit corporations, namely, religious, public benefit and mutual benefit, are described below.

- A. A corporation organized to operate a church or to be otherwise structured for primarily religious purposes is a nonprofit RELIGIOUS corporation.
- B. A corporation organized primarily for charitable purposes and which plans to obtain state tax exempt status under [Section 23701d](#) of the Revenue and Taxation Code and/or federal tax exempt status under [Section 501\(c\)\(3\)](#) of the Internal Revenue Code or organized to act as a civic league or a social welfare organization and which plans to obtain state tax exempt status under [Section 23701f](#) of the Revenue and Taxation Code and/or federal tax exempt status under [Section 501\(c\)\(4\)](#) of the Internal Revenue Code is a nonprofit PUBLIC BENEFIT corporation.
- C. A corporation for other than religious, charitable, civic league or social welfare purposes and planning to obtain tax exempt status under provisions other than Sections [23701d](#), [23701f](#), [501\(c\)\(4\)](#) or not planning to be tax exempt at all is a nonprofit MUTUAL BENEFIT corporation.

The attached samples have been drafted to meet minimum statutory requirements. The samples may be used as a guide in preparing documents to be filed with the Secretary of State. You must determine the type of nonprofit corporation to be formed and follow the applicable sample. It is, however, suggested that you seek private counsel for advice regarding the proposed corporation's specific needs, which may require the inclusion of special permissive provisions.

The fee for filing Articles of Incorporation for a nonprofit, nonstock corporation is \$30.00. Check(s) should be made payable to the Secretary of State.

PLEASE NOTE: Nonprofit corporations are subject to California corporation franchise tax requirements until such time as they formally dissolve **unless** a determination of exemption is issued by the Franchise Tax Board. Application for a determination of exemption must be made **after incorporation** by mailing an Exemption Application (FTB Form 3500), along with an endorsed copy of the Articles of Incorporation and any other supporting documentation, to the Franchise Tax Board, Post Office Box 942857, Sacramento, California 94257-4041. FTB Form 3500 can be downloaded from the [Franchise Tax Board's Internet Website](#) or can be obtained from the Franchise Tax Board by calling 1-800-338-0505. Information regarding franchise tax exemption can be obtained from the Franchise Tax Board's Internet Website or by calling the Franchise Tax Board at (916) 845-4171. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board.

The original and at least four copies of the Articles of Incorporation should be included with your submittal. The Secretary of State will certify two copies of the filed document without charge, **provided that copies are submitted to the Secretary of State with the original to be filed**. Any additional copies submitted with the original will be certified upon request and payment of the \$8.00 per copy certification fee.

Documents can be mailed or hand delivered for over-the-counter processing to the Sacramento Headquarters Office at:

Business Programs Division	(916) 653-2318
1500 11 th Street	
Sacramento, CA 95814	
Attention: Document Filing Support Unit	

OR

can be hand delivered for over-the-counter processing to any of the branch offices located in:

♦ Fresno	(559) 243-2100
2497 West Shaw, Suite 101	
Fresno, CA 93711	

- ♦ Los Angeles (213) 897-3062
The Ronald Reagan Building
12th Floor South Tower, Room 12513
300 South Spring Street
Los Angeles, CA 90013-1233
- ♦ San Diego (619) 525-4113
1350 Front Street, Suite 2060
San Diego, CA 92101-3609
- ♦ San Francisco (415) 557-7047
455 Golden Gate, Suite 7300
San Francisco, CA 94102-3660

NOTE:

- Cash is not accepted in the Los Angeles or San Diego branch offices.
- Duplicate original documents must be submitted when filing with any of the branch offices.
- Branch offices do not process mailed in documents.

A \$15.00 **special handling fee** is applicable for processing documents delivered in person at the public counter in the Sacramento Headquarters Office or in any of the branch offices located in Fresno, Los Angeles, San Diego and San Francisco. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be retained whether the documents are filed or rejected. The special handling fee does not apply to documents submitted by mail to the Sacramento office.

Preclearance or expedited filing of *eligible corporate documents* can be requested in a specified time frame, for an additional fee (in lieu of the \$15.00 special handling fee), as described in the [Preclearance/Expedited Filing Service Information](#). The preclearance/expedited filing service is not available in the branch offices.

When forming a new corporation you may need to contact one or more of the following agencies for additional information:

- ♦ The [Franchise Tax Board](#) - for information regarding **exemption** and/or **franchise tax** requirements.
- ♦ The [Board of Equalization](#) - for information regarding **sales tax** and/or **use tax** liability.
- ♦ The [Department of Justice](#) - for information regarding **charitable trust** requirements.
- ♦ The [Employment Development Department](#) - for information regarding **disability unemployment insurance tax**.
- ♦ The [Director of Industrial Relations](#), Division of Worker's Compensation - for information regarding **workman's compensation** requirements.
- ♦ The [city and/or county clerk and/or recorder](#) where the principal place of business is located - for information regarding business licenses, fictitious business names (if doing business under a name other than the corporate name), and for specific requirements regarding zoning, building permits, etc. based on the activities of the corporation.
- ♦ The [Internal Revenue Service](#) (IRS) - for information regarding **federal employee identification numbers**.

The Secretary of State does not license corporations or business entities. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the activities of the organization.

INSTRUCTIONS:

Using the attached sample as a guide, Articles of Incorporation must be drafted to include all required provisions and may include other provisions, such as the names and addresses of the initial directors, if those provisions are permitted under California law. The Secretary of State's Office, however, does not provide samples that include permissive provisions. The document **must** be typed with letters in dark contrast to the paper. Documents that would produce poor quality microfilm will be returned unfiled.

Article I – The Articles must include a statement of the name of the corporation, which name must be exactly as you want it to appear on the records of the Secretary of State.

Article II A –

Mutual Benefit Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified.

Public Benefit Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified except to include the applicable purpose description.

Religious Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified.

Article II B – A statement describing the specific purpose should to be included and, in fact, must be included if the corporation is organized for public purposes or if the corporation intends to apply for state franchise tax exemption.

Article III – The Articles must include a statement as to the name and California address of the initial agent for service of process. The designated agent, whether an individual or a corporation, **must** agree to accept service of process on behalf of the corporation prior to designation. A corporation cannot designate itself as its own agent for service of process. When designating another corporation as agent, that other corporation **must have previously filed** a [Certificate Pursuant to Section 1505, California Corporations Code](#), with the Secretary of State. When a corporate agent is used, the address of the designated corporation must be omitted.

Article IV and Article V (where applicable) – The Franchise Tax Board requires this language before state tax exemption may be granted.

The Articles of Incorporation must be originally signed by an incorporator, or by directors, if initial directors have been named in the document. If directors are named, each director must both sign and acknowledge the articles. The names of incorporators or directors must be typed beneath their signatures.

The original and at least four copies of the Articles of Incorporation, together with the applicable fee, must be mailed or hand delivered to the Secretary of State's Office in Sacramento or hand delivered to the one of the branch offices located in Fresno, Los Angeles, San Diego or San Francisco. Branch offices do not process mailed in documents. If documents are submitted to a branch office, a duplicate original is also required.

To facilitate the processing of documents mailed to the Sacramento office, a self-addressed envelope and a letter referencing the corporate name as well as your own name, return address and telephone number should also be submitted.

ARTICLES OF INCORPORATION

I

The name of this corporation is _____ *(NAME OF CORPORATION)* _____.

II

A. This corporation is a nonprofit **MUTUAL BENEFIT CORPORATION** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to _____
_____.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name _____

Address _____

City _____ State **CALIFORNIA** Zip _____

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

(Signature of Incorporator)

(Typed Name of Incorporator), Incorporator

ARTICLES OF INCORPORATION

I

The name of this corporation is _____ *(NAME OF CORPORATION)* _____.

II

A. This corporation is a nonprofit **PUBLIC BENEFIT CORPORATION** and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for:

- () **public** purposes.
or () **charitable** purposes.
or () **public and charitable** purposes.

B. The specific purpose of this corporation is to _____
_____.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name _____

Address _____

City _____ State **CALIFORNIA** Zip _____

IV

- A. This corporation is organized and operated exclusively for **charitable** purposes within the meaning of Section 501(c)(3), Internal Revenue Code.
- B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to **charitable** purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for **charitable** purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

(Signature of Incorporator)

(Typed Name of Incorporator), Incorporator

ARTICLES OF INCORPORATION

I

The name of this corporation is _____ (*NAME OF CORPORATION*).

II

A. This corporation is a **RELIGIOUS CORPORATION** and is not organized for the private gain of any person. It is organized under the Nonprofit Religious Corporation Law exclusively for religious purposes.

B. The specific purpose of this corporation is to _____
_____.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name _____

Address _____

City _____ State **CALIFORNIA** Zip _____

IV

A. This corporation is organized and operated exclusively for religious purposes within the meaning of Section 501(c)(3), Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to religious purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for religious purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

(*Signature of Incorporator*)

(*Typed Name of Incorporator*), Incorporator

VI. BASIC CERTIFICATION OF INCORPORATION FOR

CONNECTICUT, DELAWARE, NEW JERSEY, OKLAHOMA

The above states have adopted the model or revised nonprofit corporation law. These states, however, call their formation documents "Certificates of Incorporation" rather than "Articles of Incorporation" and require a more detailed statement of membership qualifications and rights. the basic "Certificate of Incorporation" that follows will satisfy the filing requirements for these states.

CERTIFICATE OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of _____.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt

organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock nor shall it pay dividends.

EIGHTH: The corporation shall have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

The corporation shall be controlled by members. No member shall hold more than one membership in the corporation. All members shall have the same rights, privileges, restrictions and conditions. Any person, partnership, corporation, association or other legal entity can be a member of the corporation. There is no limitation on the number of members of the corporation. Membership interests in the corporation are not transferable.

Anyone wishing to become a member of the corporation shall pay an application fee of _____. Upon admission to the corporation, each member shall pay annual dues to the corporation of _____ as initially set by these articles. The amount of the annual dues may be changed by majority vote of the members.

The corporation shall maintain a membership book listing the name and address of each corporate member. The book shall also contain the date the membership of any member in the corporation ceases. The membership book shall be kept in the principal place of business of the corporation.

No member by virtue of just being a member of the corporation shall be liable for the debts, liabilities or obligations of the corporation.

A member's membership interest in the corporation shall terminate upon the occurrence of any of the following events:

- a. Upon receipt by an officer or director of a member's written resignation of membership in the corporation,
- b. Upon death of a member if a natural person or the dissolution of the member if a corporation, partnership or association,
- c. Upon the failure of a member to pay membership dues by the due date. Termination of membership for nonpayment of dues occurs automatically without notice being given by the corporation. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date, or
- d. If, after being given an opportunity to be heard, the Board of Directors for the corporation finds that a member has engaged in conduct that violates the purposes for which the corporation was formed, or has breached the

duty of good faith owed to the corporation to such a degree that the member's membership interest in the corporation should be terminated. In the event of termination, the member so terminated will receive a prorated refund of dues paid to the corporation.

NINTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows:_____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

TENTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or

in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

ELEVENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

TWELFTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

THIRTEENTH: The names and addresses of the incorporators who

are signing this Certificate of Incorporation are: _____

FOURTEENTH: The corporation shall have perpetual existence.

FIFTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act or omission was the result of willful or wanton misconduct by the person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

SIXTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199____.

DECLARATION

The undersigned declare under penalty of perjury under the
laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed
this Certificate of Incorporation.
3. The foregoing Certificate of Incorporation are our
act and deed.

Executed on _____, 199____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____

personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL

Signature

VII. BASIC ARTICLES OF INCORPORATION FOR
THE DISTRICT OF COLUMBIA AND SOUTH DAKOTA

The District of Columbia and South Dakota have adopted the model or revised nonprofit corporation law. Even so, they require a more detailed statement of membership qualifications and rights in their articles than the general set of articles for the first set of states (Arizona through Vermont). The basic set that follows will satisfy the filing requirements for the District of Columbia and South Dakota.

These articles can, if the incorporator so elects, also be used for the states covered in the first set (Arizona through Vermont). This set of articles should not be used for those states, however, if it is foreseeable that in the future changes in membership qualifications or rights might occur. In such an event these articles should not be used for those states because implementing those changes would require the filing an amendment to the articles. Remember, anything placed into the articles can only be changed by filing an amendment to the articles. To be flexible in operations, a corporation should only put in the articles that information required under state law plus whatever other information it deems vital to the operation of the corporation. All other matters can be addressed in the bylaws.

ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of _____.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt

organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock nor shall it pay dividends.

EIGHTH: The corporation shall have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

The corporation shall be controlled by members. No member shall hold more than one membership in the corporation. All members shall have the same rights, privileges, restrictions and conditions. Any person, partnership, corporation, association or other legal entity can be a member of the corporation. There is no limitation on the number of members of the corporation. Membership interests in the corporation are not transferable.

Anyone wishing to become a member of the corporation shall pay an application fee of _____. Upon admission to the corporation, each member shall pay annual dues to the corporation of _____ as initially set by these articles. The amount of the annual dues may be changed by majority vote of the members.

The corporation shall maintain a membership book listing the name and address of each corporate member. The book shall also contain the date the membership of any member in the corporation ceases. The membership book shall be kept in the principal place of business of the corporation.

No member by virtue of just being a member of the corporation shall be liable for the debts, liabilities or obligations of the corporation.

A member's membership interest in the corporation shall terminate upon the occurrence of any of the following events:

- a. Upon receipt by an officer or director of a member's written resignation of membership in the corporation,
- b. Upon death of a member if a natural person or the dissolution of the member if a corporation, partnership or association,
- c. Upon the failure of a member to pay membership dues by the due date. Termination of membership for nonpayment of dues occurs automatically without notice being given by the corporation. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date, or
- d. If, after being given an opportunity to be heard, the Board of Directors for the corporation finds that a member has engaged in conduct that violates the purposes for which the corporation was formed, or has breached the

duty of good faith owed to the corporation to such a degree that the member's membership interest in the corporation should be terminated. In the event of termination, the member so terminated will receive a prorated refund of dues paid to the corporation.

NINTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows: _____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

TENTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or

in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

ELEVENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

TWELFTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

THIRTEENTH: The names and addresses of the incorporators who

are signing this Articles of Incorporation are: _____

FOURTEENTH: The corporation shall have perpetual existence.

FIFTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act or omission was the result of willful or wanton misconduct by the person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

SIXTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199____.

DECLARATION

The undersigned declare under penalty of perjury under the
laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed
these Articles of Incorporation.
3. The foregoing Articles of Incorporation are our act
and deed.

Executed on _____, 199____ at _____
_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature

VIII. BASIC ARTICLES OF INCORPORATION FOR ILLINOIS

Illinois has several specific requirements to be included in the articles which the other states do not require. Illinois requires a social club to state that it will obey all liquor laws. The corporation must state if it or is not a condominium or cooperative. An optional provision for release of liability for directors is also permissible.

ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of Illinois.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of Illinois.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes

the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax

laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock but instead have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

EIGHTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows:_____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

TENTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable

compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

TENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

ELEVENTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or

local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

TWELFTH: The names and addresses of the incorporators who are signing this Articles of Incorporation are: _____

THIRTEENTH: The corporation shall have perpetual existence.

FOURTEENTH: The corporation will comply with all state and local laws and ordinances relating to alcoholic liquors.

FIFTEENTH: The corporation IS () IS NOT () a condominium association as established under the Condominium Property Act, a cooperative housing corporation as defined in Section 216 of the Code or a homeowners' association which administers a common community interest as defined in Subsection (c) of Section 9-10c of the Illinois Code of Civil Procedure.

SIXTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be liable, and no cause of action may be brought for damages resulting

from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act or omission was the result of willful or wanton misconduct by the person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

SEVENTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199__.

DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed
these Articles of Incorporation.
3. The foregoing Articles of Incorporation are our act
and deed.

Executed on _____, 199____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____

personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

IX. BASIC ARTICLES OF INCORPORATION FOR
INDIANA, LOUISIANA, MASSACHUSETTS,
MICHIGAN, AND NEW HAMPSHIRE

The above states have adopted the model or revised nonprofit corporation law. These states, however, require a more detailed statement of membership qualifications and rights along with a statement of corporation's property and a general financing scheme. The basic articles of incorporation which follows will satisfy the filing requirements for these states.

These articles can also be used for New Hampshire and Louisiana which requires the statement of memberships rights and qualifications but does not require a statement of corporation's property or financing scheme.

Note: Most new corporations will not have any property upon formation, and so none will be listed. The financing scheme is only required in Michigan. The financing scheme must support the corporation's nonprofit purpose.

ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of _____

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt

organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock nor shall it pay dividends.

EIGHTH: The corporation shall have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

The corporation shall be controlled by members. No member shall hold more than one membership in the corporation. All members shall have the same rights, privileges, restrictions and conditions. Any person, partnership, corporation, association or other legal entity can be a member of the corporation. There is no limitation on the number of members of the corporation. Membership interests in the corporation are not transferable.

Anyone wishing to become a member of the corporation shall pay an application fee of _____. Upon admission to the corporation, each member shall pay annual dues to the corporation of _____ as initially set by these articles. The amount of the annual dues may be changed by majority vote of the members.

The corporation shall maintain a membership book listing the name and address of each corporate member. The book shall also contain the date the membership of any member in the corporation ceases. The membership book shall be kept in the principal place of business of the corporation.

No member by virtue of just being a member of the corporation shall be liable for the debts, liabilities or obligations of the corporation.

A member's membership interest in the corporation shall terminate upon the occurrence of any of the following events:

- a. Upon receipt by an officer or director of a member's written resignation of membership in the corporation,
- b. Upon death of a member if a natural person or the dissolution of the member if a corporation, partnership or association,
- c. Upon the failure of a member to pay membership dues by the due date. Termination of membership for nonpayment of dues occurs automatically without notice being given by the corporation. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date, or
- d. If, after being given an opportunity to be heard, the Board of Directors for the corporation finds that a member has engaged in conduct that violates the purposes for which the corporation was formed, or has breached the

duty of good faith owed to the corporation to such a degree that the member's membership interest in the corporation should be terminated. In the event of termination, the member so terminated will receive a pro-rated refund of dues paid to the corporation.

NINTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows: _____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

TENTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or

in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

ELEVENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

TWELFTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

THIRTEENTH: The assets and their value that the corporation

owns upon incorporation are:

Real property: _____

Personal property: _____

The general financing scheme for the corporation is from membership dues and fees, grants from public agencies and income from the performance of activities in furtherance of its tax-exempt purposes. Any such financing includes but is not limited to admission fees to activities, fees for providing the services in furtherance of the tax-exempt purposes and the following: _____

FOURTEENTH: The names and addresses of the incorporators who are signing this Articles of Incorporation are: _____

FIFTEENTH: The corporation shall have perpetual existence.

SIXTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be

liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act or omission was the result of willful or wanton misconduct by the person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

SEVENTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199__.

DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed these Articles of Incorporation.
3. The foregoing Articles of Incorporation are our act and deed.

Executed on _____, 199____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

X. BASIC ARTICLES OF INCORPORATION FOR
MONTANA, SOUTH CAROLINA AND OREGON

The following are basic articles of incorporation for use in Montana and Oregon. These states have a requirement that the corporation actually state in the articles whether it is being formed as a public benefit, mutual benefit or religious corporation. Most states do not require a nonprofit corporation to be limited to just public benefit (activities to benefit the public), mutual benefit (activities to benefits its members) or religious purposes and allow them to engage in activities to further any or all of the purposes. The incorporators must choose one of the selections under the second article that best defines its purpose. The filing fee for South Carolina is \$25.00

ARTICLES OF INCORPORATION

OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of _____.

() public benefit corporation.

() mutual benefit corporation.

() religious corporation.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

_____The corporation may engage in any lawful act or activity in which a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____.

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code

of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock but instead shall have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

EIGHTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows: _____

Subsequent Directors shall be elected or appointed as provided by the provisions in the corporate Bylaws.

NINTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the

corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

TENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

ELEVENTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or

shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

TWELFTH: The names and addresses of the incorporators who are signing this Articles of Incorporation are: _____

THIRTEENTH: The corporation shall have perpetual existence.

FOURTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act

or omission was the result of willful or wanton misconduct by the person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

FIFTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199____.

DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed

these Articles of Incorporation.

3. The foregoing Articles of Incorporation are our act and deed.

Executed on _____, 199____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature

XI. BASIC CERTIFICATE OF INCORPORATION FOR NEW YORK

New York has 2 basic forms for incorporation **DOS 1510** for nonprofit corporations not seeking tax exempt status and **DOS 1511** for nonprofit corporations seeking tax exempt status. Both forms are included herewith. A full set of instructions (5 pages) can be downloaded off the New York Secretary of State's web site at:

<http://www.dos.state.ny.us/pdfs/nfpinstructions.pdf>.

For questions, calls can be placed to the **Division of Corporations** (518) 473-2492.

The New York Not-For-Profit Corporation Law can be reviewed on the net at **www.senate.state.ny.us**.

New York divides its nonprofit corporations into four types under Section 201(b) of the Not-For-Profit Corporation Law:

Type A corporations engage in activities for the benefit of its members. It is not limited to , any one or more of the following non-pecuniary purposes, civic, patriotic, social, fraternal, athletic, agricultural, horticultural, animal husbandry and for a professional, commercial, industrial, trade or service association.

Type B corporations are charitable organizations for educational, scientific, literary or cultural purposes.

Type C corporations perform business activities to achieve a

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lawful public or quasi public objective.

Type D corporations are federal tax exempt corporations that are exempt under some other New York Law. There are separate laws for incorporating religious organizations under the New York Religious Corporations Law.

Generally, a nonprofit corporation will seek a 501(c)(3) tax exemption as a charitable, educational, scientific or literary corporation. As such the corporation will be a New York Type B corporation.

NOTE: In the case of a TYPE C CORPORATION, set forth a separate paragraph within Paragraph THIRD, describing the lawful public or quasi public objective which each business purpose will achieve.

For nonprofit corporations seeking a tax exemption, form **DOS 1511** contains the basic language required by the Internal Revenue Service for Federal Tax exempt status. In general such language must state that the net earnings of the corporation must not be accrued to the benefit of any particular individual. Likewise no substantial part of the activities must be for lobbying or campaigning for candidates. In fact, in 2000 the United States Supreme Court upheld federal legislation which taxed at 35% the lobbying expenses of nonprofit organizations unless the members agreed to pay taxes on the expenses themselves. This is discussed on page 23. Likewise upon dissolution, the net assets must be

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distributed to another exempt entity and not returned to the members of the corporation so as to assure that no individual is specifically benefitted from the corporation.

The filing fee is seventy five dollars (\$75.00) made payable to the Department of State which must accompany the signed Certificate. The mailing address is

**NEW YORK DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
41 STATE STREET
ALBANY, NY. 12231**

The normal processing time is between four to seven business days. Expedited service can be obtained by paying more money, \$150 for 2 hour service, \$75 for same day service and \$25 for 24 hour service per document.

The Department of State issues a filing receipt which is the proof of filing. The Department will not issue a duplicate to replace a receipt lost or destroyed. The receipt contains the following information, the date of filing, fees paid and an extract of information provided.

A copy of the filed Certificate of Incorporation can be obtained for \$5.00 and a certified copy of the Certificate of Incorporation is \$10.00.

Not-for-Profit Form (*does not* include State and Federal tax exempt language)

New York State
Department of State
Division of Corporations
Albany, NY 12231

CERTIFICATE OF INCORPORATION OF

(Insert Corporation Name)

Under Section 402 of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is: _____

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 (Definitions) of the Not-for-Profit Corporation Law.

THIRD: The purpose or purposes for which the corporation is formed are as follows:

FOURTH: The corporation shall be a Type_____ corporation pursuant to Section 201 of the Not-for-Profit Corporation Law.

FIFTH: The office of the corporation is to be located in the County of _____, State of New York.

SIXTH: The names and addresses of the initial directors of the corporation are:

SEVENTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process accepted on behalf of the corporation is:

EIGHTH: *(Optional)* The name and street address in this state of the registered agent upon whom process against the corporation may be served is:

_____	X	_____
<i>(Type name of incorporator)</i>		<i>(Signature)</i>

(Address)

_____	X	_____
<i>(Type name of incorporator)</i>		<i>(Signature)</i>

(Address)

CERTIFICATE OF INCORPORATION
OF

(Insert Corporation Name)

Under Section 402 of the Not-for-Profit Corporation Law

Filed by: _____
(Name)

(Mailing address)

(City, State and Zip code)

NOTE: This form was prepared by the New York State Department of State. It does not contain all optional provisions under the law. You are not required to use this form. You may draft your own form or use forms available at legal supply stores. The Department of State recommends that legal documents be prepared under the guidance of an attorney. The certificate must be submitted with a \$75 filing fee made payable to the Department of State.

Not-for-Profit Form with State and Federal tax exempt language.

New York State
Department of State
Division of Corporations
Albany, NY 12231

CERTIFICATE OF INCORPORATION OF

(Insert Corporation Name)

Under Section 402 of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is: _____

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 (Definitions) of the Not-for-Profit Corporation Law.

THIRD: The purpose or purposes for which the corporation is formed are as follows:

FOURTH: The corporation shall be a Type _____ corporation pursuant to Section 201 of the Not-for-Profit Corporation Law.

FIFTH: The office of the corporation is to be located in the County of _____, State of New York.

SIXTH: The names and addresses of the initial directors of the corporation are:

SEVENTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process accepted on behalf of the corporation is:

EIGHTH: *(Optional)* The name and street address in this state of the registered agent upon whom process against the corporation may be served is:

NINTH: *(State and Federal exemption language for Type B and C corporations seeking tax exemption):*

Notwithstanding any other provisions of these articles, the corporation is organized exclusively for one or more of the purposes as specified in §501(c)(3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under IRC §501(c)(3) or corresponding provisions of any subsequent Federal tax laws.

No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no member, trustee, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation assets on dissolution of the corporation.

No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation [except as otherwise provided by IRC §501(h)] or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidates for public office.

In the event of dissolution, all of the remaining assets and property of the corporation shall, after necessary expenses thereof, be distributed to another organization exempt under IRC §501(c)(3), or corresponding provisions of any subsequent Federal tax laws, or to the Federal government, or state or local government for a public purpose, subject to the approval of a Justice of the Supreme Court of the State of New York.

In any taxable year in which the corporation is a private foundation as described in IRC §509(a), the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under IRC §4942, and the corporation shall not (a) engage in any act of self-dealing as defined in IRC §4941(d), retain any excess business holdings as defined in IRC §4943(c), (b) make any investments in such manner as to subject the corporation to tax under IRC §4944, or (c) make any taxable expenditures as defined in IRC §4945(d) or corresponding provisions of any subsequent Federal tax laws.

_____	X	_____
<i>(Type name of incorporator)</i>		<i>(Signature)</i>

(Address)

_____	X	_____
<i>(Type name of incorporator)</i>		<i>(Signature)</i>

(Address)

CERTIFICATE OF INCORPORATION
OF

(Insert Corporation Name)

Under Section 402 of the Not-for-Profit Corporation Law

Filed by: _____
(Name)

(Mailing address)

(City, State and Zip code)

NOTE: This form was prepared by the New York State Department of State. It does not contain all optional provisions under the law. You are not required to use this form. You may draft your own form or use forms available at legal supply stores. The Department of State recommends that legal documents be prepared under the guidance of an attorney. The certificate must be submitted with a \$75 filing fee made payable to the Department of State.

XII. BASIC CHARTER OF INCORPORATION FOR
TENNESSEE

Tennessee is unique in that it calls its document for formation of a nonprofit corporation a "Charter of Incorporation." The following is a basic "Charter of Incorporation" for a corporation formed under Tennessee law. Tennessee law requires that the charter actually state whether the corporation is being formed as a public benefit, mutual benefit or religious corporation. Most states do not have this requirement because it limits the activities of the corporation to just activities involving only the furthering of a public benefit (activities to benefit the public), mutual benefit (activities to benefit its members) or religious purposes. Most states permit their nonprofit corporations to engage in any activities that would further any or all of the above purposes. The incorporators for a Tennessee corporation must choose one of the selections under the second article that best defines its purpose.

CHARTER OF INCORPORATION
OF

FIRST: The name of the corporation shall be _____

SECOND: The corporation shall be a nonprofit corporation under the laws of the State of Tennessee. The corporation is a

() public benefit corporation.

() mutual benefit corporation.

() religious corporation.

THIRD: The principal executive office of the corporation shall be located at _____

FOURTH: The name and address of the registered agent for the corporation is: _____

FIFTH: The purposes for which the corporation is being incorporated are: _____

The corporation may engage in any lawful act or activity in which

a nonprofit corporation may be permitted to engage pursuant to the laws of the State of _____ .

Said corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

The corporation shall not conduct any activity which would prevent it from getting a federal tax exemption under section 501(c)(3), cause it to lose its exempt status or conduct any activity for which contributions are not deductible under section 170(c)(2).

SIXTH: During any period of time for which the corporation is treated as a private foundation under Section 509 of the Internal Revenue Code, the Directors will undertake all necessary action to assure that:

1. The corporation will distribute its income for each tax year and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax

laws.

3. The corporation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

4. The corporation will not make any investments in such manner as to subject it tax under section 4944 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

SEVENTH: The corporation shall not issue stock but instead shall have one class of members. Each member shall have one vote. Directors of the corporation need not be members unless required by the Bylaws.

EIGHTH: The initial members of the Governing Board shall be called Directors and the number, names and addresses of the first Board of Directors shall be _____ and are as follows: _____

Subsequent Directors shall be elected or appointed as provided by

the provisions in the corporate Bylaws.

NINTH: No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fifth hereof. No substantial part of the activities of the corporation shall be the conduct of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not conduct any other activities not permitted to be conducted (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 nor the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code.

TENTH: The corporation may receive property by gift, devise or bequest and may invest the same and apply both the income and principal in any manner which the Board of Directors may deem appropriate towards achieving the corporation's nonprofit purposes.

ELEVENTH: Upon the dissolution of the corporation, assets shall be distributed to one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county in which the principal office of the corporation is then located exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes.

TWELFTH: The names and addresses of the incorporators who are signing this Charter of Incorporation are: _____

THIRTEENTH: The corporation shall have perpetual existence.

FOURTEENTH: A Director, Trustee or other person who without compensation other than reimbursement for actual expenses renders services to or for the Corporation SHALL () SHALL NOT () be liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such person for damages resulting from an act or omission in rendering such services unless the act or omission was the result of willful or wanton misconduct by the

person. This relief from liability will not exist where it would jeopardize the corporation's 501(c)(3) tax exemption or otherwise violate state law.

FIFTEENTH: (OPTIONAL PROVISIONS) _____

IN WITNESS WHEREOF, we have hereunder subscribed our names
this _____ day of _____, 199__.

DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names is subscribed below.
2. We are incorporators of _____
_____ and that we have executed
this Charter of Incorporation.

3. The foregoing Charter of Incorporation are our act and deed.

Executed on _____, 199____ at _____

_____.

Incorporator

Incorporator

Incorporator

STATE OF _____

COUNTY OF _____

On _____ before me, _____
personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

CERTIFICATE OF ACCEPTANCE OF APPOINTMENT

AS RESIDENT AGENT FOR

I, _____, hereby accept
the appointment as Resident Agent for _____
_____ in accordance with the laws of
the State of Tennessee.

My address and phone number in this State is: _____
_____.

The principal executive office for the corporation in the
state is _____

IN WITNESS WHEREOF, I have hereunder set my hand this _____
_____ day of _____, 199____.

CHAPTER 6

BYLAWS

I. DEFINITION

Bylaws are the corporate rules adopted for the general day-to-day management and operation of the corporation. At the first meeting of directors, when the corporation is formed, the bylaws are adopted by the incorporator. While the articles of incorporation establish the governing structure of the corporation, the bylaws regulate the management of the business and conduct of the corporation. The bylaws prescribe the rights and duties of the members of the corporation towards the corporation and among themselves in relation to its management and its affairs.

In its decision *Casady v. Modern Metal & Spinning Mfg.* (1961) 188 Cal.App.2d 728, the California Court of Appeals expressed the position of most states when it stated that bylaws are to be construed as a contract between the shareholders (members of a nonprofit corporation) and the corporation and also as a contract between the shareholders or members.

Bylaws attempt to resolve the many areas of potential conflict within a corporation. Bylaws assign duties and responsibilities. Bylaws can be general in nature or closely tailored to the needs and desires of the members. Most bylaws contain most of the issues covered in the sample bylaws following this chapter.

Bylaws are not set in concrete. Members of a nonprofit

corporation can alter or amend the bylaws by simply holding a meeting and voting chapter. The purpose of bylaws is to establish the procedures for the daily administration and management of the corporation. As the corporation develops, the bylaws can be amended to keep pace with new requirements.

II. AUTHORITY TO ADOPT

The corporation may adopt, amend and repeal the corporate bylaws. Common law recognized that a fundamental element of corporate law was that a corporation has the inherent right to make bylaws, but the bylaws, old or amended, cannot conflict with federal or state laws, or the articles of incorporation. Bylaws always must be reasonable under the overall circumstances of each situation they address.

While a corporation has the right to adopt bylaws, it is not required to do so. Yet should a corporation fail to adopt any bylaws, the authority to perform those acts that are normally defined by the bylaws is vested in the Board of Directors. The failure of a corporation to adopt bylaws can have disastrous results. A court might find that a real corporation was never truly intended to be created. The prime proof of the existence of a corporation is the manner in which it operated. A business that acts as a partnership will be treated as a partnership even though it is incorporated. Not having bylaws is evidence to infer that a corporation really was never intended to be created.

All things considered, there is no valid justification for a corporation not to adopt bylaws. Not adopting bylaws may result in the corporation losing its shield against personal liability for the members. There just is no reason to endure such a risk.

III. WHO AND HOW ADOPTED

Bylaws can be adopted in one of three ways. The first is by the incorporator adopting the initial bylaws at the first meeting of directors. Most bylaws are originally adopted by the incorporator at this meeting. In fact, the minutes of the first meeting of directors that are contained in this book call for the incorporator to adopt the original bylaws for the corporation. The second method of adopting bylaws is at a meeting of members wherein a majority of the members approve the bylaws. The third method of adopting or changing bylaws is at a meeting of the board of directors wherein a majority of the board adopts or repeals the bylaws.

There are some bylaws, however, that can only be changed by the members. A bylaw changing the number of directors for a corporation can only be changed by a majority vote of the members. Likewise, members alone determine if a board of directors can be changed from a variable board to a fixed board or vice versa.

The articles of incorporation may require more than a simple majority of votes to approve any change of the bylaws. In addition, the articles may restrict or eliminate the power of the board of

directors to adopt, alter, amend or in any way affect the bylaws.

The original or a copy of the bylaws that are certified to be a true copy executed by the corporate secretary or assistant secretary is prima facie evidence of the adoption of those bylaws and the matters stated in them.

IV. CONSTRUCTION

A corporation is required to construe its bylaws reasonably and in such a way as to sustain their validity. When a bylaw is subject to different constructions, the one most in harmony and accordance with state law is the one given effect.

A bylaw cannot overrule or violate the articles of a corporation. For that reason, all bylaws must be construed in such a manner as not to violate the articles. Any bylaw that can not be so construed is automatically rendered void and invalid by operation of law.

Unless a bylaw specifically states that it is intended to operate retroactively, it will not do so. In addition, a bylaw cannot operate retroactively if by doing so it unfairly and unreasonably violates the rights of members. Example: If the bylaw changes the number of directors. It cannot be applied retroactively because it would invalidate every past action taken by the board.

V. WAIVER OF BYLAWS' PROTECTION

Bylaws exist to govern the operation of the corporation and to

protect the members. Just as the members can enact bylaws for their protection, they can waive that protection without having to repeal the bylaws in question. Example: A situation occurs for the benefit of the corporation, and the officers act in the best interests of the company. The members find they must ratify the conduct of the business but that the ratification will specifically and intentionally violate one or more of the bylaws. Without such an express waiver of the bylaws, the board of directors and the officers will not have the authority to complete the anticipated transaction.

Ratification of the proposed or completed act must be done by the same number of members needed to adopt or repeal a bylaw. Example: A bylaw requires the president to get board approval before executing a contract on behalf of the corporation. Without board approval, the president executes a favorable contract for the corporation. Unless a majority of the members ratify the president's conduct that was undertaken in violation of the bylaws, the contract is invalid.

VI. LOCATION

The bylaws of a corporation, either in original form or in true copies as amended, are required to be kept at its principal executive office in every state where it does business. The bylaws are required to be kept open for inspection by the members at all reasonable times during regular business hours. When the principal place of business is outside the state of incorporation, most states require that the corporation furnish copies of the bylaws as amended to the members upon request.

VII. FORMS

A set of bylaws that will adequately manage most corporations is presented on the following pages.

BYLAWS

OF

ARTICLES I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of _____
_____, hereinafter entitled the
Corporation, shall be in the City of _____
or such other place as designated by resolution of the Board of
Directors of the Corporation.

Section 2. OTHER OFFICES. The Board of Directors may also
elect to open other offices of the Corporation both within and
without the State of _____ to conduct the
business of the Corporation.

ARTICLE II

MEMBERS

Section 1: RIGHTS. The Corporation will be controlled by
members. No Member shall hold more than one membership in the
Corporation. All Members shall have the same rights, privileges,
restrictions and conditions. Any person, partnership, corporation,
association or other legal entity can be a Member of the
Corporation. There is no limitation on the number of Members of the

Corporation. Membership interests in the Corporation are not transferable.

Section 2. MEMBERSHIP DUES. Anyone wishing to become a Member of the Corporation shall pay an application fee of _____. Upon admission to the Corporation, each Member shall pay annual dues to the Corporation of _____.

Section 3. MEMBERSHIP BOOK. The Corporation shall maintain a membership book listing the name and address of each corporate Member. The book shall also contain the date the membership of any Member in the Corporation ceases. The membership book will be kept in the principal place of business of the Corporation.

Section 4. NONLIABILITY OF MEMBERS. No Member by virtue of just being a Member of the Corporation shall be liable for the debts, liabilities or obligations of the Corporation.

Section 5. TERMINATION OF MEMBERSHIP. A Member's membership interest in the Corporation shall terminate on the occurrence of any of the following events:

- a. Upon receipt by an Officer or Director of a Member's written resignation of membership in the Corporation,
- b. Upon death of a Member if a natural person or the dissolution of the Member if a corporation, partnership or association,
- c. Upon the failure of a Member to pay membership dues by the due date. Termination of membership for non-payment

of dues occurs automatically without notice being given by the Corporation. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date, or

- d. If, after being given an opportunity to be heard, the Board of Directors for the Corporation finds that a Member has engaged in conduct that violates the purposes for which the Corporation was formed, or has breached the duty of good faith owed to the Corporation to such a degree that the Member's membership interest in the Corporation should be terminated. In the event of a termination, the Member so terminated will receive a pro-rated refund of dues paid to the Corporation.

Section 6. ANNUAL MEETINGS. At least one meeting of the Members will be held each year. This annual meeting will be held at the principal office of the Corporation designated in Article 1 or such other place as chosen by the Board of Directors.

The annual meeting of Members shall be held on a date and at a time designated by the Board of Directors beginning in the year 199____. The purpose of the annual meeting will be to transact any and all business of the Corporation including but not limited to the election of the Board of Directors and the ratification of the acts of the Board of Directors undertaken since the last meeting of members.

Section 7. SPECIAL MEETINGS. Special meetings of the Members may be called for any purpose or purposes by:

- a. A majority of the Board of Directors, or
- b. A written request of Members owning a majority of the membership certificates of the Corporation.

All requests for a special meeting of Members must state the reason for which the special meeting of Members is being sought. Requests to have a special meeting of Members will be considered served on the Board of Directors of the Corporation if they are given to any member of the Board of Directors or any Officer of the Corporation by either personal delivery or certified mail.

Upon receipt of a valid request for a special meeting by a Member, the Board of Directors will schedule a special meeting at a date not less than thirty (30) days nor no more than sixty (60) days from the receipt of the request. The Board of Directors shall give notice of the special meetings to all members entitled to vote.

If the Board of Directors fails to give the notice of the special meeting, the person or persons making the request for the special meeting may set the date and time of the special meeting and give the notice themselves.

Section 8. NOTICES OF MEETINGS. Notices of all Member meetings shall be in writing and must be signed by the President, Vice President or Secretary of the Corporation. All notices of a Members

meeting must contain a statement about the purpose for which the meeting is to be called and any special business which is to be conducted therein. The notice must also state the date, time and place of the meeting. The notice must be either delivered or mailed to each Member at least fifteen (15) days before the meeting. If the notice is mailed, it must be sent to the last known address of the Member as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Member or knows that the address it has is no longer valid, it shall give notice to that Member by publishing it at least once in a newspaper of general circulation in the county of the Corporation's principal office.

Personal delivery of a notice to any officer of a corporation, a member of an association, or any partner of a partnership which is a Member of this corporation shall constitute valid service on the Member corporation, partnership or association.

The officer of the Corporation giving notice of the meeting shall file a declaration with the minutes of the Corporation stating that notice of the meeting has been duly given to all Members entitled to vote.

If a meeting is adjourned after being properly called for less than thirty (30) days, no new notice need be given to the Members. If a meeting is adjourned for more than thirty (30) days, a new notice of the date, time and place or the resumptions of the

meeting must be given to the Members.

Section 9. BUSINESS AT THE MEETING. At a special meeting of Members, the business transacted therein shall be limited to that which is stated in the notice of the meeting unless all of the Corporation's Members are present in person or by proxy and all agree to additional business being conducted.

Section 10. QUORUM FOR MEETING. If Members representing a majority of the corporate membership certificates issued, outstanding and entitled to vote are present either in person or by proxy, a quorum shall exist for conducting the meeting. If, however, a quorum does not exist either in person or by proxy, a valid meeting cannot be held.

If a quorum is present when the meeting is called, the Members may continue to hold the meeting and transact business until adjournment, even if some Members leave so that a quorum is no longer present, provided a majority of members who constituted the initial quorum still remain.

Section 11. MAJORITY RULES. At a duly called meeting with a present quorum, the vote of Members holding a majority of the membership certificates of the Corporation, either in person or by proxy, shall determine the passage of any corporate resolution or other business matter unless either state law or the Articles of Incorporation require a different percentage of vote.

Section 12. RECORDS DATE. Only those persons or entities

who are shown to be the owners of corporate stock in the records of the Corporation on the day of any meeting of Members or such other day as fixed by the Board of Directors shall be entitled to vote.

Section 13. PROXIES. At any Member meeting, a Member may be represented by a person or persons to vote for the Member. A proxy must be in writing and designate under what terms the person holding the proxy may vote. A proxy shall not be valid for more than ninety (90) days after the date of its execution unless the Member executing it specifies the time for which it will last, but in no event shall it remain in force for more than two years from the date of its execution. Once duly created, a proxy shall remain in effect until it expires, is revoked or another proxy is subsequently given to another person.

Section 14. ACTION TAKEN WITHOUT A MEETING. Except for the election of Directors, Members can without a meeting undertake any business that would otherwise require a meeting if authorized by the written consent of Members holding a majority of voting power, unless state law or the Articles of Incorporation require a higher voting percentage.

Section 15. CONSENTS TO MEETINGS. The actions undertaken at a meeting of Members, that was not properly called and noticed shall nevertheless be valid if:

- a. A quorum was present either in person or proxy, and
- b. Each of the Members entitled to vote and who were

not present in person or by proxy sign a written waiver of notice or a consent to the holding of such meeting and the approval of the actions taken therein.

All such waivers and consents must be filed with the corporate books and made a part of the minutes of the corporate meeting therein. A Member's attendance of a meeting which was not properly called and noticed shall constitute a waiver of notice unless an objection is made on the record at the meeting.

Section 16. CONDUCT OF MEETING. The President, if present and if not then the Vice President, shall call a meeting of Members together and preside over the meeting as the Chairman. If neither the President or the Vice President are present, the Members shall appoint a person to serve as the Chairman. The Secretary of the Corporation, if present and if not a person chosen by the Members, shall serve as the secretary of the meeting of Members.

ARTICLE III

DIRECTORS

Section 1. NUMBER OF DIRECTORS. The number of Directors which will compose its Board of Directors shall be _____. All Directors shall be of legal age and at least one Director shall be an American citizen. The Directors shall be elected at the annual meeting of Members except where a vacancy is filled pursuant to Section 4 below. Each Director shall hold office until a successor is elected or appointed. Directors do not need to be

Members of the Corporation.

Section 2. STANDARD OF CARE. Each Director shall perform his duties, including those of being a Member on any corporate board, in good faith. Each Director shall execute all duties through the use of the standard as to what in the Director's opinion is in the best interests of the Corporation. In making all decisions a Director shall utilize such reasonable care and inquiry as a reasonably prudent person in a like situation would employ.

Section 3. VACANCIES ON THE BOARD. Vacancies on the Board and new positions created by increasing the number of Directors may be filled by a vote of the majority of the remaining Directors even though they may constitute less than a majority of the full Board.

A vacancy on the Board shall be deemed to exist upon the death, resignation, or removal of any Director, an increase in the number of Directors or a failure of the Members to fill all Board vacancies at any meeting of Members to elect Directors.

The Members may elect Directors at any time to fill vacancies on the Board which have not been filled by the Directors. Such election shall require a consent of Members holding a majority of the Corporation's voting stock.

Section 4. REMOVAL OF DIRECTORS. The Members may at any time remove the entire Board of Directors or any individual Director as provided by these Bylaws. The remaining board, or the Members, at a special meeting, may elect directors to fill such vacancies as

may result.

Section 5. POWERS OF THE BOARD OF DIRECTORS. The Board of Directors, unless closely held corporate status is elected, is responsible for the management of the Corporation's business and legal affairs. Towards this end, the Board will exercise all of the corporate powers to do such lawful acts which are not prohibited by either state law or the Articles of Incorporation.

MEETINGS OF THE BOARD OF DIRECTORS

Section 6. DIRECTORS MEETINGS. The Board of Directors shall set all meetings of the Board, both regular and special, pursuant to these Bylaws. Such meetings may be held both within and without the state of incorporation as designated by the Board.

Section 7. ANNUAL MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time and place as set by the Board of Directors.

The Board of Directors shall hold an annual meeting without notice immediately after and at the same place as the annual meeting of members.

Regular non-annual meetings of the Board of Directors (weekly, monthly or quarterly) shall be held at the corporate offices or such other place as may be designated, as follows:

Time of the Meeting: _____

Date of the Meeting: _____

If the date for the regular meeting falls on a holiday or weekend,

the meeting shall be held on the next business day. No notice for a regular meeting set in these Bylaws need be given.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary upon receipt of a written request to do so from a Director. Written notice of Special Meetings shall be given to each Director at least fifteen (15) days prior to the meeting. Such notice shall be given either personally to each director or by mail.

If the notice is mailed, then it must be sent to the last known address of the Director as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Director or knows that the address it has is no longer valid, it shall give notice to that Director by publishing it at least once in a newspaper of general circulation in the county of the Corporation's principal office.

The actions taken at a special meeting of Directors which was not properly called and noticed will nonetheless be considered valid if:

- a. All of the Directors are present at the meeting and sign a written consent to the meeting and the actions taken thereunder, or
- b. A majority of the Directors are present at the meeting and those Directors not present sign a written consent to the meeting and the actions

taken thereunder. Such consent may be given either before or after the meeting has been held.

If a Director attends a special meeting which was not properly called and noticed without objecting upon arrival, that Director waives such notice and the actions taken thereunder shall be as valid as if the meeting was properly called.

Section 9. QUORUM. At any meeting of the Board of Directors no action may be undertaken unless a quorum of Directors is present. A quorum of Directors shall constitute a majority of duly elected and appointed Directors. Unless state law specifies a higher percentage, every act or resolution of the Board shall need only a majority vote of the quorum to pass.

Section 10. RESIGNATION. A Director may resign at any time effective upon giving written notice to the Board of Directors. Upon notice of the resignation the Board shall notify the members and either fill the vacancy by appointment or schedule a special meeting of Members for the election of a new Director.

Section 11. COMPENSATION OF DIRECTORS. The corporation shall pay any expenses incurred by its Directors in attending any meeting of the Board. In addition, the Directors may be paid a salary or a fixed amount for attending the meeting as set by the Board. The receipt of any payment for services rendered as a Director shall not prevent the person from serving the Corporation in any other capacity and receiving compensation for such other work.

COMMITTEE OF DIRECTORS

Section 12. UTILIZATION OF COMMITTEES. The Board of Directors has the authority to create as it deems necessary committees of one or more Directors to exercise the powers of the Board of Directors in specified areas of the Corporation's business and legal affairs. A committee so formed may be given the power to affix the corporate seal to documents which it may execute.

Section 13. COMMITTEE MINUTES. All committees created by the Board shall keep regular and detailed records of their activities and make regular reports to the full Board of Directors.

Section 14. CONSULTANTS. The Board of Directors have the authority to appoint one or more persons to serve as consultants to the Board. Such consultants perform such special assignments as delegated to them by the President and furnish such consultations on such matters as requested by the Board.

ARTICLE IV

NOTICES

Section 1. NOTICE TO DIRECTORS AND MEMBERS. All notices to Directors and Members must be in writing and given by personal delivery, by telegram or by mail. If the notice is mailed, then it must be sent to the last known address of the Director or Member as it appears on the Corporation's books. Upon such mailing the service shall be deemed complete. If the Corporation does not have an address of a Director or Member or knows that the address it has

is no longer valid, it shall give notice to that Director or Member by publishing it at least once in a newspaper of general circulation in the county of the Corporation's principal office.

Section 2. WAIVER OF NOTICE. If a person who is entitled to vote at any meeting, be it a Members or Directors meeting, is not given such a valid notice of the meeting, no action undertaken at such meeting will be valid unless the person gives a valid waiver of notice. A waiver of notice is accomplished by:

- a. Being present at the meeting and either not objecting to the meeting or entering oral consent to the meeting on the record, or
- b. Executing a written waiver of notice for the meeting and the business to be transacted therein.

Once a waiver of notice has been validly executed, the transaction undertaken at the meeting, if a quorum was present, shall be as valid as if the meeting had been properly called and noticed.

ARTICLE V

OFFICERS

Section 1. APPOINTMENT. The Board of Directors shall appoint the officers of the Corporation. The initial Officers of the Corporation shall be the President, Vice President, Secretary and Treasurer. The Board may appoint assistants to the above officers as it deems appropriate. Any person can hold two or more offices unless precluded by state law. The election of officers shall

normally occur, except for the filling of vacancies, at the annual meeting of Directors following the annual meeting of Members.

Section 2. OFFICERS' SALARIES. The Board of Directors shall set by resolution the salaries and compensation to be paid by the Corporation to the officers.

Section 3. OFFICERS' TERM OF OFFICE. The term of office for the officers of the Corporation shall continue to the their death, resignation or removal. Any officer may be removed from office by the Board at any time by a majority vote. Any vacancy in any office of the Corporation shall be filled by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors. A resignation shall take effect on the date specified in the notice unless the Board of Directors votes to have a sooner date and removes the resigning officer prior to the effective date of the resignation.

PRESIDENT

Section 4. CHIEF EXECUTIVE OFFICER. The President shall serve as the Chief Executive Officer of the Corporation. The President shall preside at all members and the Board of Directors. The President shall be responsible for general management of the daily business affairs of the Corporation. The President is responsible for implementing the orders and resolutions of the Board of Directors. The President has the authority to execute bonds, mortgages and all other corporate contracts except where the Board

of Directors has expressly delegated such authority to another Officer or Agent of the Corporation.

VICE PRESIDENT

Section 5. POWERS. The Vice President shall in the absence or disability of the President perform the duties of the President. The Vice President shall also perform such duties as the Board of Directors or the President shall assign.

SECRETARY

Section 6. POWERS. The Secretary of the Corporation shall serve as the secretary of all member and Director meetings. The Secretary shall record the minutes of all such meetings in the corporate books. The Secretary shall also be responsible for giving notice of all Member and Director meetings. The Secretary shall also be responsible for performing such other duties and tasks as assigned by the Board of Directors or the President.

TREASURER

Section 7. POWERS. The Treasurer shall be responsible for managing the corporate financial books, records, funds and securities. The Treasurer is responsible for keeping accurate financial records which reflect the Corporation's income and disbursements. The Treasurer shall deposit all receipts, both cash and otherwise, in the name of the Corporation with such banks, financial institutions and other depositories as the Board of Directors shall designate.

The Treasurer shall make such disbursements or distributions of corporate funds and assets as the Board of Directors shall direct. Accounting shall be rendered by the Treasurer to the President and Board of Directors at any time they may require an accounting to be given.

The Board of Directors may require that the Treasurer post a bond from a surety or sureties in an amount that it feels will be sufficient to protect the Corporation. Such a bond will be to insure the Treasurer's faithful performance of his duties. The bond is also to insure that upon the Treasurer's death, resignation or removal all of the Corporation's books and property in the Treasurer's possession or control will be returned to the Corporation.

ARTICLE VI

MEMBERSHIP CERTIFICATES

Section 1. DESCRIPTION. Every Member shall receive a membership certificate signed by the President, Vice President and Secretary. The Officers signatures on the certificate may be a facsimile. In the event that any Officer, transfer agent or registrar who has signed or whose facsimile signature appears on the certificate resigns or is removed from office prior to the issuance of the certificate, the certificate is nonetheless valid and can be issued.

Section 2. TRANSFER AGENTS. The Corporation may appoint

transfer agents, transfer clerks or registrars as the Board of Directors deems appropriate. Signatures of such transfer agents, clerks or registrars will be countersigned or authorized by signatures or the facsimile of signatures of the President and Secretary. Once a certificate has been validly executed, the subsequent death, withdrawal or removal of the President, Secretary or any transfer agent, clerk or registrar will not invalidate the issuance of the certificate.

LOST CERTIFICATES

Section 3. REISSUANCE. If a membership certificate is lost, the Corporation will replace it if the Member makes an affidavit stating that the certificate has been lost or destroyed.

CLOSING OF CORPORATE BOOKS

Section 4. CLOSING DATE. The Board of Directors may prescribe a period of time, not exceeding ninety (90) days prior to any meeting of the Members for the closing of the corporate books. The Members entitled to receive notice of a meeting and entitled to vote therein shall be determined on the date that the transfer books of the Corporation are closed.

If the Board does not vote to close the corporate books on a fixed date, the record date for determining those Members entitled to notice and to vote at a meeting shall be determined on the close of the business day preceding the day of the meeting.

The record date for determining Members for any other purpose

shall be the later of either:

- a. That date the Board adopts the resolution relating thereto, or
- b. Sixty (60) days prior to the date of the action.

MEMBERSHIP CERTIFICATE HOLDERS

Section 5. DETERMINATION. Only those persons or entities who are listed in the corporate books as Members of the Corporation shall be entitled to receive notices of meetings or be entitled to vote at such meetings. The Corporation is not required to recognize any equitable or other claim on its membership certificates by any person or entity that is not reflected in the corporate books regardless of any express or constructive notice that it might have except as otherwise provided by state law.

ARTICLE VII

CORPORATE BOOKS

Section 1. MAINTENANCE. The Corporation shall maintain all corporate books and records of all its business activities in accordance with generally accepted accounting principles. The Corporation shall also keep accurate and up to date minutes of all Member and Directors meetings.

Section 2. INSPECTION OF CORPORATE BOOKS. The Corporation shall permit any Member or Director to inspect all of its books and records including minute books and these Bylaws with all subsequent amendments during normal business hours at its principal executive office.

Section 3. EXECUTION OF CONTRACTS. The Board of Directors may authorize any officer, agent or employee in addition to the President to enter any contract or execute any instrument in the name or on behalf of the Corporation. In the absence of any specific grant of authority from the Board of Directors, no officer, agent or employee except the President shall have any power or authority to bind the Corporation in any contract or agreement or to make it liable for any purpose or for the performance of any obligation.

ARTICLE VIII

GENERAL PROVISIONS

CHECKS

Section 1. SIGNATORY. The Board of Directors shall designate by a resolution Officers who are to be authorized to sign the checks of the Corporation or other financial documentation.

FISCAL YEAR

Section 2. SETTING. The Board of Directors shall set the fiscal year of the Corporation by resolution at the first meeting of Directors for the Corporation and may thereafter change it at a duly called meeting of Directors.

CORPORATE SEAL

Section 3. CONTENTS. If the Corporation chooses to have a corporate seal, such seal shall contain the full name of the Corporation, its year of incorporation and the state of

incorporation.

ARTICLE

AMENDMENT OF BYLAWS

Section 1. PROCEDURE. The members of the Corporation may alter or amend these Bylaws at any duly called and noticed meeting of Members. These Bylaws can also be amended by the Board of Directors at any duly called and noticed meeting of the Board of Directors. No amendment of the Bylaws as adopted by the Directors shall operate to reduce or limit the authority of the Members as contained in the Bylaws prior to the amendment by the Directors.

Once the Bylaws have been amended, the amendments shall be placed in the corporate minute book along with these original Bylaws. If a Bylaw is repealed, the Secretary shall note in the minute book the date of the meeting in which the Bylaw was repealed.

ARTICLE X

ANNUAL REPORTS

Section 1. DUE DATE. The Board of Directors shall prepare and furnish to the Members an annual report of the financial status of the Corporation no later than ninety (90) days following the close of the Corporation's fiscal year. This annual report must be provided to the Members at least fifteen (15) days prior to the annual meeting of Members. The annual report will be given in the same manner as the Corporation gives notice to Members as defined

in these Bylaws. The annual report shall contain a balance sheet for the Corporation covering the financial affairs of the Corporation to the close of the fiscal year. The annual report will be accompanied by any reports of any independent accountants and a certificate of an Officer that the annual report was prepared without an audit of the corporate books and records if there was no audit.

Section 2. WAIVER. The Members may agree at any duly called meeting of Members to dispense with the annual report. The annual report is expressly dispensed as long as the Corporation has ten (10) or less members. A husband and wife who are Members are considered just one Member for the purpose of this waiver. This section does not preclude the Directors from issuing an annual report if they consider it appropriate even if the Corporation has less than ten members or the Members have waived the requirement.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1. STOCK OWNED IN OTHER CORPORATIONS. If this Corporation should at any time own stock in another corporation which is not a subsidiary, the Chairman of the Board, the President or any other designated agent may represent the Corporation and vote those shares on behalf of the Corporation in the manner designated by the Board of Directors.

Section 2. INDEMNIFICATION. The Corporation will indemnify and

hold harmless all officers and agents of the Corporation for any breach of duty to the Corporation undertaken with the consent of the Members or subsequently ratified. There will be no indemnification, however, for any intentional misconduct, any intentional violation of either federal or state law, the receipt of improper personal benefit or a reckless disregard to act in the best interests of the Corporation.

Section 3. ADDITIONAL PROVISIONS. _____

I, the undersigned, being the Secretary of the Corporation, do hereby certify that the foregoing are the Bylaws of the corporation as adopted at a Meeting of Directors held on _____, 199 ____.

Secretary

CHAPTER 7

FIRST MEETING OF DIRECTORS

I. INTRODUCTION

Once the articles are filed, the next matter to be attended in forming a corporation is the issuance of the membership certificates. The issuance of membership certificates actually creates the true corporate status. Before membership certificates can be issued there must be a meeting of the directors to authorize the corporation to issue a set amount of membership certificates.

The first official meeting of the corporation is called either a "Special Meeting of Directors" or more commonly the "First Meeting of Directors." It is a meeting of directors because there are no shareholders at that time because the membership certificates have not yet been issued. The meeting is called by the incorporators who adopt the corporate bylaws, appoint the initial directors (if they are not named in the articles) and resigns. After the resignation of the incorporator, the directors conduct the meeting and sign a waiver of notice that permits the meeting to proceed.

II. ACTIONS UNDERTAKEN

A. ELECTION OF OFFICERS

One of the first matters to be addressed by the corporation is the election of officers. The directors appoint the president, vice

president, treasurer and secretary along with any assistant officers. After their appointment, the corporate officers assume their duties as specified in the bylaws.

The directors may also at that time fix the corporate salary for the officers or (as is more usual) reserve the fixing of salaries to another time. This reservation of time for setting the corporate salaries is usually used in newly established corporations that need time and capital to get in operation. The salary is later established once the corporation starts business.

B. ADOPTING MEMBERSHIP CERTIFICATES

The directors must adopt the form of the membership certificates for the corporation. This is an important detail because it is the actual issuance of the membership certificates to members that completes the incorporation. The membership certificate is the title document that the members possess to evidence their ownership interest. The directors by approving the membership certificates approve the form of the ownership documentation. Membership certificates cannot be sold by the corporation until the form of the membership certificates is approved.

C. AUTHORIZING BANK ACCOUNTS

The directors must authorize the president to open a corporate bank account. Likewise, the directors authorize who may be the signatory on the accounts. Usually, the directors permit the

president and treasurer to sign on the corporate accounts. The directors may authorize special smaller accounts on which other agents may sign.

D. AUTHORIZING PRINCIPAL EXECUTIVE OFFICE

The articles of incorporation may list the location of the principal executive office for the corporation. Even so, the directors should adopt a location where the principal executive office will be located at the first meeting. It is at this location that the future director meetings will be held unless changed by a corporate resolution or waiver.

E. ISSUANCE OF MEMBERSHIP CERTIFICATES

The corporation can only issue membership certificates that are approved by the directors. Therefore the directors approve the corporation's issuance of membership certificates pursuant to the state law at the first meeting. The directors determine at this time the annual dues to be paid by a member of the corporation. The issuance of the membership certificates completes the corporation. The ownership of a membership certificate makes the member and bestows the rights of participation in the corporation.

F. CORPORATE SEAL

Most states no longer require that a corporation have a corporate seal. This requirement was once required to prove corporate approval of a contract. At one time, no corporate contract could be enforced unless it had the corporate seal affixed

to it.

Once the articles are filed, the corporate seal can be ordered from most printing companies or attorney service firms for \$10. All that is needed to create the seal is the name of the corporation, its state of incorporation and its date of incorporation. The cheapest corporate seal is a rubber stamp. The traditional seal is a clamp-like device that crimps a piece of paper and imprints the corporate name.

The following minutes call for the approval of a corporate seal if the corporation decides to get a seal. When the seal is obtained, the seal's imprint should be placed in the clause.

G. FISCAL YEAR

The last major act to be undertaken by the directors is the adoption of a fiscal year. A corporation can have any fiscal year. Since a nonprofit corporation usually will not have to pay taxes, it is better to simply use a calendar year as its fiscal year. The minutes for the first meeting used in this book calls for a calendar year to be the fiscal year. If the corporation does not want a calendar year, it can change that clause to state the fiscal year as adopted before executing the minutes.

III. FORMS

The following pages contain:

1. Waiver of Notice of Special Meeting of Board of Directors.
2. Action of Incorporator and Minutes of Special Meeting of the Board of Directors.

WAIVER OF NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS

The undersigned, being all of the Directors of _____
_____, a
nonprofit Corporation duly formed and incorporated under the laws
of the State of _____, do hereby waive notice of the
time, place and purpose of a special meeting of the Board of
Directors of the Corporation. The Directors designate the _____
_____ day of _____, 199__ at _____
_____, as the time and _____
_____ as the place of said meeting, the purpose of
said meeting being to issue membership certificates, elect
officers, adopt corporate by-laws and transact such other business
as may be necessary or advisable to enable the Corporation to carry
on its contemplated business.

Dated: _____

ACTION OF INCORPORATOR

AND

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

The incorporator of _____
took, and has taken, the following action for the Corporation on
this _____ day of _____, 199____.

1. Adopted By-laws as and for the By-laws of this
corporation.

2. Duly appointed _____
_____ as
the first Directors of this corporation.

A special meeting of the Board of Directors of _____
_____ a nonprofit corporation
incorporated under the laws of the State of _____ was
held at _____ on _____
_____, 199____,
pursuant to a Waiver of Notice signed by all of the Directors.

There were present _____

_____,
constituting all of the Board.

_____ was chosen as
the Chairman and _____ was

chosen Secretary of the meeting.

The Chairman then stated that the next matter of business to come before the meeting was the election of Officers of the corporation to hold office until their respective successors are elected and shall qualify.

The following persons were nominated and duly elected by affirmative vote of all of the Directors to the offices of the Corporation as set forth before their respective names.

President	_____
Vice President	_____
Secretary	_____
Treasurer	_____

The Chairman reported that the Articles of Incorporation of the Corporation were filed in the office of the Secretary of the State of _____ on _____, 199 ____.

The Secretary was instructed to cause a copy of the Articles of Incorporation to be inserted in the minute book preceding the Bylaws and minutes of this meeting.

The Secretary was instructed to insert in the minute book the original Bylaws adopted on _____, 199____ by the incorporator named in the Articles of Incorporation. The Secretary was further instructed to cause the minute book containing the original Bylaws certified by the Secretary or by an Assistant Secretary to be a true copy thereof or a copy of the Bylaws as

amended to date certified in the same manner to be kept at the principal office of the corporation for inspection by the members at all reasonable times during office hours as provided by law.

After discussion on the matter of salaries for the officers and upon motion duly made, seconded and carried, it was:

RESOLVED that the Officers of this Corporation shall serve without salary until fixed by the Board of Directors.

The Secretary thereupon presented to the meeting a form of certificate for membership of the Corporation, and upon motion duly made, seconded and carried it was:

RESOLVED that the certificates to represent the membership in this Corporation shall be in the form of the specimen certificate presented to this meeting and that the Secretary hereby is instructed to insert said specimen certificate in the minute book of this Corporation immediately following the minutes of this meeting.

The Secretary was authorized and directed to procure the proper corporate books.

Upon motion duly made, seconded and carried it was:

RESOLVED that the President and Treasurer be and hereby are authorized to open bank accounts on behalf of the Corporation with banks as selected by the President.

FURTHER RESOLVED that until otherwise ordered said banks be and hereby are authorized to make payments from the funds of this Corporation on deposit with it upon and according to the check of this Corporation signed by any Officer of the Corporation or such other persons as designated by the President and Treasurer.

Upon motion duly made, seconded and carried it was:

RESOLVED that an office of this Corporation be established and maintained at _____

and that meetings of the Board of Directors and meetings of the Members from time to time may be held either at the principal office or elsewhere as the Board of Directors shall from time to time order.

Upon motion duly made, seconded and carried, the proper officers of the Corporation were authorized and directed to comply with the Nonprofit Corporation Law of the State of _____ to make required filings with the Corporation Commissioner of the State of _____ in the manner prescribed by law in order to issue membership certificates in the corporation.

The Chairman suggested that the meeting consider the authorization of the issuance of its membership certificates to persons or entities wishing to join.

On motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

RESOLVED the Board of Directors of this Corporation that it is in the best interests of the Corporation to issue a membership certificate to each person or entity who becomes a member of the Corporation in accordance with the provisions set forth in the corporate By-Laws.

FURTHER RESOLVED the issuance of membership certificates will be made respectively in accordance with the requirements, limitations and other provisions of the _____ Non-Profit Corporations Law, and

FURTHER RESOLVED that any Officer of this Corporation be and hereby is authorized and directed on behalf of this Corporation to prepare or cause to be prepared, executed and filed with the _____ Commissioner of Corporations, any required application, permit or notice of issuance of any corporate membership certificates.

FURTHER RESOLVED that the President or the Vice President and the Secretary or the Assistant Secretary be and they hereby

are authorized and directed to issue shares of membership certificates of this Corporation as provided in these resolutions.

FURTHER RESOLVED that the Officers and Directors of this Corporation be and hereby are authorized and directed to execute all documents and to take such action as they may deem necessary and advisable in order to conduct and perform the purpose of these resolutions.

Upon motion duly made, seconded and carried it was:

RESOLVED that for the purpose of authorizing this Corporation to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for the Corporation to transact business, the proper Officers of this Corporation be and they hereby are authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and under the corporate seal to make and file all necessary certificates, reports, powers of attorney, or other instruments, as may be required by the laws of such state, territory or dependency or country to authorize the Corporation to transact business therein and whenever it is expedient for this Corporation to cease doing business therein and withdraw therefrom, to revoke any appointment of agent or attorney for service of process and to file such reports, certificates, revocation of appointment or surrender of authority as may be necessary to terminate the authority of this corporation to do business in any such state, territory, dependency, or country.

Upon motion duly made, seconded and carried, it was:

RESOLVED that the Treasurer's action in paying all fees and expenses incident and necessary to the organization of the Corporation be and is hereby approved. And further that the Treasurer be authorized and directed to procure and pay for the proper corporate books.

The Secretary presented a seal conforming to the By-laws, and on motion duly made, seconded and carried, it was:

RESOLVED that the seal, an impression of which is hereon imprinted, is adopted as the corporate seal of this Corporation,

Upon motion duly made, seconded and carried, it was:

RESOLVED that any corporate officer be and hereby is authorized to execute contracts on behalf of the Corporation.

The next item to come before the meeting was the adoption of a fiscal year for the Corporation and upon motion duly made, seconded and carried, it was:

RESOLVED that a calendar year of January 1 to December 31 is hereby adopted as the Corporation's fiscal year.

The Secretary was instructed to file with the minutes of the meeting the Waiver of Notice of this meeting.

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was thereupon adjourned.

Secretary of the meeting

CHAPTER 8

MEMBERSHIP CERTIFICATE

The most important characteristic of any corporation, be it a profit or nonprofit corporation, is that its ownership is reflected by either a stock or membership certificate. All of the rights and interests in a corporation which a member in a nonprofit corporation may possess derives from the fact that the member owns membership certificates in the corporation. Not all nonprofit corporations actually issue a formal membership certificate. Some rely instead on the receipt for the payment of annual dues as proof of membership. Nevertheless, most nonprofit corporations do issue some form of membership certificate.

A membership certificate operates as a title document, much in the same vein as a deed is a title document to a piece of real property. A membership certificate states on its face that a certain person or entity is to be treated as owning and controlling the number of shares designated on the membership certificate.

Control of a corporation is usually determined by a majority vote of the outstanding membership certificates of the nonprofit corporation. Membership can be issued as either voting or non-voting certificates; although most often the certificates are of a voting nature. One important difference between a membership

certificate in a nonprofit corporation and a share of stock in a regular for-profit corporation are the rights to share in the corporation's profits. In a nonprofit corporation, the members have no right to receive any dividends from the corporation. On the other hand, in a regular for-profit corporation such a right exists, and the stock can be issued as either common stock (that is with ordinary rights) or as preferred stock (with special rights, usually including guaranteed dividends, special voting rights, or special conversion rights that turn the preferred stock into common stock or bonds).

Following this chapter are general membership certificates for a nonprofit corporation. Fancy engraved membership certificates can be purchased at a nominal price from most print shops. For the normal, small nonprofit corporation the membership certificate in this book is sufficient. All that has to be done is for the membership certificate to be completed. The issuance of the certificate is reflected on the membership certificate. The membership certificate must be signed by both the president and secretary. The certificate should be signed in blue ink to show that it is an original membership certificate and not a copy.

Following this chapter also is a membership register for the corporation. The membership register is important because it names the owner for each membership certificate that is issued. It is from the membership register that the members eligible to vote at

member meetings are determined. Under the Bylaws, only the registered members on a certain date before a members meeting can exercise voting privileges, even though the person may no longer own the membership.

Unlike a regular corporation, in most nonprofit corporations member-ship certificates are not transferable. Membership certificates cannot be sold nor will they pass by gift, devise or descent. Membership in a nonprofit corporation is only dependent upon the payment of dues and the opening of the corporate Bylaws. A nonprofit corporation cannot discriminate in the admission of members. Hence the easiest way for anyone to become a member is to join the corporation rather than try to purchase a membership certificate or wait for the death of a member to inherit a certificate.

These forms follow:

1. Membership Certificate
2. Membership Register

MEMBERSHIP CERTIFICATE

THIS CERTIFICATE CERTIFIES THAT

IS A MEMBER OF GOOD STANDING WITH

A NONPROFIT CORPORATION FORMED UNDER
THE LAWS OF THE STATE OF _____

PRESIDENT

SECRETARY

DATED: _____

MEMBERSHIP REGISTER

OF

MEMBER 'S NAME

DATE JOINED

DATE MEMBERSHIP CEASED
FOR DEATH, RESIGNATION,
EXPULSION OR NONPAYMENT
OF DUES

[illegible]

CHAPTER 9

AFTERWARDS: POST INCORPORATION ACTS

This chapter is basically an information chapter to remind the officers of the corporation of the various acts that may be required to be performed after the incorporation is completed. The officers will be familiar with most of the acts herein that may have to be performed if they had previously operated a business.

This chapter discusses the general requirements most often encountered by a newly incorporated corporation. There is no way that this chapter will be able to cover each item in detail. Consequently references are made to the appropriate code sections when available.

Many of the post incorporation acts pertain to tax filings. The treasurer and president should work closely with the corporation's tax advisor to establish appropriate accounting procedures for the corporation. Some matters can be handled by the corporation's accountant or bookkeeper while others can only be handled by the officers. An understanding of what is expected and by whom is of great importance for the smooth operation of the business.

I. STATE LICENSES

A state may require a state license be obtained to do a certain type of business regardless of whether the business is conducted in a profit or nonprofit mode. Example: A state may require anyone disposing of hazardous waste to have a state license or permit. The fact that the company doing the hauling may or may not be a nonprofit corporation is irrelevant. It is important that the corporation obtain all the necessary licenses and permits for the operation of its business in the state.

State permits are not transferable. If a partnership or association that has the necessary permits and licenses to do business should form a nonprofit corporation to continue the work, it would have to reapply for new state licenses and permits in its own name. A corporation, regardless of whether it is a profit or nonprofit entity, is still a legal entity in its own right and is treated separate and apart from its members and any business in which they might have previously been engaged.

II. LOCAL BUSINESS LICENSES

Many states, usually those that have corporate taxes, permit its counties, parishes, cities and other governmental entities to raise revenue by taxing corporations, even nonprofit corporations, doing business in their jurisdictional area. Unlike a regular for-profit corporation, nonprofit corporations do not have a city or county income tax imposed on them. A nonprofit corporation,

however, may be subject to a straight license fee for a permit to conduct business in the city or county. A nonprofit corporation, like a regular corporation, should always consider whether there is a city or county business license required to operate. Such licenses would be required regardless of whether the business is operated for profit or not.

III. EMPLOYER IDENTIFICATION NUMBER

A nonprofit corporation, like all employers, is required to obtain a federal employer's identification number (EIN) from the IRS. The application for an EIN is Form SS-4. Form SS-4 must be filed within seven days after the first payment of earnings to an employee. There is no filing fee for the form and the IRS will give the corporation an identification number upon the filing. This identification number will be used on all tax returns.

Form SS-4 and the instructions for completing it are in the Tax Exemptions chapter. The SS-4 must be filed with the application for a Federal Tax Exemption if it has not been filed earlier.

IV. ESTIMATED TAX

A. FEDERAL INCOME TAX

IRC Section 6655 requires corporations to pay installments on estimated income tax to the IRS. Corporations are required to make their estimated payments to an authorized commercial bank depository or a Federal Reserve Bank by the statutory payment dates. Accompanying the payment is Federal Deposit Form 8109.

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Instructions for the estimated tax are provided on IRS Form 1120-W (Worksheet) "Corporation Estimated Tax."

If a nonprofit corporation has obtained a federal tax exemption under IRS Section 501, it will be exempt from taxes on income derived from its ordinary related business activities. For income unrelated to its normal activities, called "unrelated business income," it must pay taxes and comply with the payment of the estimated tax. An example of unrelated business income is a nonprofit corporation formed to save the environment, and it operates a hotel in New York City. The income for the hotel will be taxed as ordinary income, but contributions and fund raising for the environmental operations will not be taxed.

B. STATE ESTIMATED TAX

Every corporation must comply with the tax law of any state in which it does business. Therefore, if a nonprofit corporation does business in a state that has a corporate tax, the corporation will be taxed unless it is recognized as exempt under that state's laws. Example: Nevada has no corporate income tax, but California does have a corporate tax. A Nevada nonprofit corporation does business in California. It must pay California tax on that portion of its income derived from its California operations unless it applies and receives an exemption from the State of California.

It is very easy for a nonprofit corporation to obtain tax-exempt status for activities conducted in a state. Many states

automatically grant that tax-exempt status once it is granted by the IRS. Usually, the corporation applies for state tax exemption at the same time as it files for incorporation. It involves nothing more than filing of a notice certificate with the State Tax Agency stating that a nonprofit corporation was formed. The state agency then issues a tax exemption statement or certificate. A nonprofit corporation will still have to pay state taxes on all unrelated business income.

V. PERSONAL PROPERTY TAXES

Many states, such as California, tax the personal property of a corporation located within the state. This tax is in addition to its income tax and business license and sales and use taxes. To avoid this tax, some airlines doing business in California actually fly to Las Vegas or Reno just to park the aircraft so they will not be taxed in California. A corporation should be aware of the personal property tax a state may charge on corporate assets located in the state. Generally, nonprofit corporations are not subject to personal property taxes, but each state may have exceptions to this rule. Care should be taken to ascertain if any personal property is taxed by any state in which the nonprofit corporation will do business.

VI. SALES AND USE TAXES

If the corporation expects to engage in the business of selling tangible personal property, it the corporation must

determine if it needs to obtain a sales-and-use tax permit. Many states do not require a nonprofit corporation to obtain sales-and-use permits.

Some states, however, do require a nonprofit corporation selling personal property to collect a sales tax. In these states, as with personal property taxes the form of the business does not matter. As long as goods subject to the tax are sold, sales tax must be charged.

VII. ANNUAL STATEMENT OF OFFICERS

After a corporation is formed, it must file an annual statement of the officers and directors with the secretary of state. The state uses the filing to stay aware of the corporation. The form is usually mailed to the corporation each year. The corporation must then complete it and mail it back usually with a small fee.

VIII. PAYROLL WITHHOLDING

A nonprofit corporation, as with any other employer, must withhold income tax and social security tax from all employees' salary. Instructions for federal withholding are in IRS Circular E, "Employer's Tax Guide." The corporation must have each employee complete the Employee's Withholding Allowance Certificate Form W-4.

The withheld income and social security taxes are deposited in an authorized commercial bank depository or a Federal Reserve Bank along with a Federal Deposit Form 8109.

An "Employer's Quarterly Federal Tax Return" (Form 941) is required to be filed by the corporation before the end of the month following each quarter.

If the taxes are not withheld or paid, any person whose duty it is to make the payments will be 100% liable for all the taxes. This can work a manifest injustice but remains the law.

In states that have income taxes, such as California, there must be state payroll withholding as well. It is important that the corporation understand its tax obligations for each state in which it will operate.

IX. FEDERAL UNEMPLOYMENT TAX

Any corporation that has an employee at least part of one day every week during the current or preceding calendar year, or has paid wages of \$1,500 or more during any calendar year is subject to the Federal Unemployment Tax (FUTA).

The corporation may receive credit against FUTA for taxes paid into a state's unemployment fund. The taxes are deposited in an authorized commercial bank depository or a Federal Reserve Bank along with a Federal Deposit Form 8109. An "Employers Annual Federal Unemployment Tax Return" (Form 940) must be filed by the corporation by January 31 of each year. More information can be obtained from the IRS's "Employer's Tax Guide."

X. UNEMPLOYMENT COMPENSATION INSURANCE

Many states, such as California, require that employers

provide unemployment and disability insurance for employees. For unemployment insurance, the employers must make annual contributions to a state fund based on a percentage of the employee's payroll for a year.

The disability coverage is paid by withholding from the employees' wages. Some states, like California, permit the employer to elect private disability insurance covered under a state-approved voluntary disability program. If such an election is made, the employees are not required to pay disability taxes to the state.

XI. WORKER'S COMPENSATION

All states have enacted Worker's Compensation Laws. An employer is liable for any injuries to a worker on the job regardless of any negligence by either the employer or the employee. The employee, however, cannot sue the employer for punitive damages regardless of how egregious the employer's conduct was in causing the injury.

The employer must either carry workers compensation insurance through a state fund or carry it through an approved private insurance carrier. In some states the employer may be permitted to be self-insured provided the company considered large enough and stable enough to do so.

Failure to carry the insurance could be disastrous for a corporation. An injured employee could sue the corporation for

punitive damages; if the insurance was in place, the suit could not be filed.

XII. FICTITIOUS NAME FILINGS

If the nonprofit corporation is going to do business in a name other than its own, it must conform to the state's requirements for filing a fictitious name statement. Most states require anyone, even a corporation, that does business in a name other than its own to file a fictitious name statement with the county clerk.

The purpose of such a filing is to provide the public a means of identifying the owner of the business in the event of litigation or any other need to contact the owner. For example, assume that ABCD Nonprofit Corporation operates a restaurant named Guido's. A patron suffers food poisoning. The patron reads the fictitious-name filings and finds the name of the owner in the event the employees would not divulge it.

XIII. STATE TAX EXEMPTIONS

Once the corporation files its articles of incorporation, it should contact the state taxing agency at the address shown in the State Laws chapter to determine any forms that must be filed to receive a state tax exemption. Many states will not require any forms to be filed because they grant such exemptions automatically to nonprofit corporations. Other states will grant the exemption only after the corporation receives the federal tax exemption and will retroactively apply the tax exemption.

Once the state tax exemption is obtained, the corporation should then contact the local county tax agency to determine any forms must complete to be exempt from local real property and personal property taxes. Such exemptions are automatic once the state exemption is obtained. Any required forms are merely information forms for the local taxing agency.

XIV. SUBSEQUENT ACTS REGARDING THE ARTICLES

In addition to filing the articles of incorporation some states require that the corporation also give notice in general to the public to be properly formed. The states that have these extra notice provisions are:

Arizona: The corporation must publish a Notice of Incorporation within 60 days of the filing of the articles in a paper of general circulation.

Delaware: The corporation must file the articles with county clerk where the corporation's registered office is located within 20 days of the filing with the secretary of state.

Georgia: The corporation must publish a notice of filing of the articles of incorporation four times in a paper of general circulation. Form A100 is to be filed with the secretary of state to verify the filing.

Illinois: The corporation must file the articles with the county recorder within 15 days of filing the articles.

Kansas: The corporation must file the articles with the registrar

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of deeds where the corporation's registered office is located within 20 days of the filing with the secretary of state.

Kentucky: The corporation must file the articles with the county clerk where the corporation will have its registered office.

Louisiana: The corporation must file the articles with the county clerk where the corporation will have its registered office.

Mississippi: The corporation must file the articles with the county clerk where the corporation will have its registered office. In addition, the articles must be published in a newspaper for that county.

Nebraska: The corporation must file the articles with the county clerk where the corporation will have its registered office. In addition, the articles must be published in a newspaper for that county.

Nevada: The corporation must file the articles with county clerk where the corporation's registered office is located within 60 days of the filing with the secretary of state.

North Carolina: The corporation must file the articles with county clerk where the corporation's registered office is located within 60 days of the filing with the secretary of state.

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Pennsylvania: The corporation must file the articles with the clerk of the Court of Common Pleas where the corporation's registered office will be located. In addition, the corporation must publish a notice of the filing of the articles in two papers of general circulation.

W. Virginia: The corporation must file the articles with the county clerk where the corporation will have its registered office.

For those states which require publication of a notice that the articles have been filed, the following should be sufficient:

Notice: Articles of Incorporation have been filed on (insert date) with the secretary of state of the State of (insert state) incorporating (insert name) as a nonprofit corporation. The name and address of the registered agent for the corporation is (insert name and address). The principal place of business of the corporation shall be (insert address).

CHAPTER 10

AMENDMENT OF ARTICLES

The matters stated in the articles of incorporation cannot be changed unless an amendment of the articles of incorporation is filed. Amending the articles is different from amending the bylaws. The matters covered in the articles are those items required by law to be stated. It is public information readily available to anyone upon request. Bylaws are just the internal procedures adopted for the operation of the company and thus can be changed at any time by a majority vote of the directors. The provisions in the bylaws are optional whereas certain provisions in the articles are mandated by law in order to define the rights and privileges of the members.

Amendments of the articles take two forms. Amendments before membership certificates are issued simply requires the filing of a certificate of amendment. The certificate states that no membership certificates have been issued and lists the changes to be made in the articles. Some states, such as Nevada, require that a state approved form be used for the amendment of the articles. Following this chapter is the form used in Nevada for the amendment of the articles for a corporation before a membership certificate is issued. In most states, however, no set form is used as long as the basic information is imparted. Following this chapter also is a

certificate of amendment form for states which do not have approved forms, such as California.

Amendments to the articles after membership certificates are issued requires both the holding of a special meeting of the members to approve the amendment and the subsequent filing of the certificate of amendment. Nevada and a few other states require their own approved forms be used for a corporation who has issued stock. Following this chapter is the Nevada form for a certificate of amendment. Most states do not require approved forms to be used. Following this chapter also is a certificate of amendment form for states such as California, that do not have approved forms for amendments by a corporation that has issued stock.

For reference purposes the corporation amending the articles in the following example is a California corporation.

Some states, such as Nevada, require the signatures to the certificate to be notarized. Other states, such as California, simply require a declaration under penalty of perjury that the certificate was properly executed. The certificates to cover both eventualities contain both the declaration and the notary statement.

These forms follow:

1. Certificate of Amendment, Shares Issued
2. Certificate of Amendment, No Shares Issued
3. Declaration of Amendment by Incorporators

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

_____ hereby
certify:

1. That they are the President and Secretary, respectively
of _____

2. That at a duly held special meeting of the Board of
Directors of the Corporation held on _____, at ____
_____ the Board adopted the following
resolution approving amendments to the Articles of Incorporation.

Article _____ of the Articles of Incorporation shall be
amended to read as set forth herein:

3. That the members of the corporation adopted and approved
the same amendment by resolution at a meeting held _____
_____at _____ by the required

vote of members as prescribed the Bylaws and law of the State of _____.

4. That the number of membership certificates entitled to vote on or consent to the amendment are _____ certificates.

5. That the number of members voting in favor of the resolution was _____ or _____ percent of the members entitled to vote.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment on _____.

President

Secretary

We declare under penalty of perjury that we are the persons who executed the above Certificate of Amendment of Articles of Incorporation, and that such instrument is our act and deed, and we verify that the contents thereof are true of our own knowledge.

Dated: _____

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STATE OF _____

COUNTY OF _____

On _____ before me, _____

personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

Signature

CERTIFICATE OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

the incorporators of _____
certify that:

1. They are all of the incorporators of _____

Nonprofit Corporation.

2. The Articles of Incorporation were filed in the Office of
the Secretary of State on _____.

3. As of the date of this Certificate, no membership
certificates of the corporation have been issued.

4. The incorporators hereby adopt the following amendments
to the Articles of Incorporation of this corporation.

Article _____ is amended to read as follows:

Dated: _____

Dated: _____

Dated: _____

DECLARATION

The undersigned declare under penalty of perjury under the laws of the State of _____ that:

1. We are the persons whose names are subscribed below.
2. We are the incorporator of _____
and we have executed these Articles of Incorporation.
3. The foregoing Certificate to Amendment to the Articles of Incorporation are our act and deed.

Executed on _____ at _____
_____.

Incorporator

Incorporator

Incorporator

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STATE OF _____

COUNTY OF _____

On _____ before me, _____

personally appeared _____

personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

CHAPTER 11
CORPORATE MEETINGS

One of the most important functional differences between a corporation and a partnership is that a corporation must have annual and special meetings both of the members and of the directors to approve the business operations of a corporation. If a corporation does not comply with the statutory requirements for a corporation, the members will not be shielded from personal liability for the corporation's debts. The law forbids commingling of corporate assets with members' assets and always requires the business to be conducted in the corporate form. If the corporation acts like a partnership or sole proprietorship, it will be treated as one and the members will be treated as partners with a partner's liability for the corporation's debts.

To avoid liability for the corporate debts, the members only need make sure that the corporation is run as a corporation. To do that, there must be at least one annual meeting of members each year. At the meeting, the directors are elected for the next year, and the acts taken the previous year by the corporation are either approved or rejected. Following this chapter are sample minutes for the annual meeting of members for a corporation. Additional resolutions may be added as needed. These samples will meet the yearly requirements for an annual meeting.

Following this chapter also are sample minutes for the annual meeting of directors of a corporation. Unlike an annual meeting of members, no notice is needed for this meeting because the bylaws state on what date and time the meeting is to be held. At this meeting the directors elect the officers for the corporation for the next year and approve or disapprove the acts taken by the officers for the previous year.

Special business of the corporation is required to be handled by a special meeting of the board of directors. Such special business consists of items like the purchase of real estate and borrowing money. Following this chapter is the form for a special meeting of directors. For a completed sample of a special meeting of directors see the "Certificates for Corporate Resolutions" chapter approving the purchase of real property.

Special meetings of members can also be called when necessary such as when the directors want specific approval for their actions.

These forms follow:

1. Waiver if Notice of Annual Meeting of Members
2. Minutes of Annual Meeting of Members
3. Minutes of Annual Meeting of Directors
4. Waiver of Notice of Special Meeting of Members
5. Minutes of the Special Meeting of Members
6. Waiver of Notice of Special Meeting of Directors
7. Minutes of Special Meeting of Directors

WAIVER OF NOTICE OF ANNUAL MEETING
OF THE MEMBERS

The undersigned, being the members of _____
_____, a nonprofit corporation incorporated under the
laws of the State of _____, do hereby waive notice of
the time, place and purpose of an annual meeting of the members of
the corporation. The members designate the _____ day of _____
_____ at _____ as the time and _____
_____ as the place of said meeting,
the purpose of said meeting being to elect directors and to
transact such other business as may be necessary or advisable to
facilitate and to enable it to carry on its contemplated business.
The undersigned members hereby approve and adopt the minutes
adopted at such above designated meeting.

Dated: _____

MINUTES OF ANNUAL MEETING OF MEMBERS

OF

The Annual Meeting of Members of _____
_____, a Nonprofit Corporation, was held at
_____ on _____, the
time and place prescribed for the purposes of electing a Board of
Directors, considering reports of the affairs of the corporation
and transacting other business within the powers of the Members.

The meeting was called to order by _____
_____, the President of the Corporation. As authorized by
the Bylaws, the President presided as the Chairman of the meeting
and the Secretary presided as the Secretary of the meeting and
recorded the minutes.

Call and notice of the meeting being dispensed by the Bylaws,
and the meeting being held at the time and place prescribed by the
Bylaws, the Chairman declared that the meeting was lawfully and
properly convened.

The following roll of holders of all of the outstanding shares
of the Corporation was called, and the Secretary declared that a
quorum was present.

MEMBER	PRESENT	NUMBER OF SHARES	PROXY HOLDER

The Secretary was directed to prepare a written Waiver of Notice, consent to meeting, and approval of minutes to be signed by each Member not present at the meeting and to be filed with the minutes.

On motion duly made, seconded and carried the minutes of the last meeting of Members held on _____ were unanimously approved after the reading of the minutes had been dispensed without objection.

The Chairman then called for nominations for Directors to serve for one year or until their successors are elected and qualified. The Secretary nominated the following persons:

1. _____
2. _____
3. _____

The Chairman called for further nominations, but none were made. The above persons were elected Directors of the Corporation.

Thereupon the Chairman then presented to the meeting all papers and documents pertaining to corporate actions undertaken since the last meeting of Members, all of which were laid upon the

table and publicly declared by the Chairman to be open for inspection by the Members.

Upon motion duly made, seconded and carried, it was RESOLVED that all purchases, contracts, contributions, compensations, acts, decisions, proceedings, elections, and appointments by the Board of Directors and the Officers of the Corporation since the last meeting of Members on _____ be and the same are hereby approved and ratified.

There being no further business to come before this meeting, on motion duly made, seconded and carried, the meeting was declared adjourned.

Secretary of the Meeting

MINUTES OF ANNUAL MEETING OF DIRECTORS

OF

The Annual Meeting of Directors of _____
_____, a Nonprofit Corporation, was held at
_____ on _____.

No notice of this meeting was required pursuant to the Bylaws of
the Corporation that set the time of the Annual Meeting of
Directors.

The Directors present at the meeting were _____

_____.

who together constituted a quorum, being the majority of the
authorized number of Directors of the Corporation.

The meeting was called to order by _____
_____, who presided as the Chairman of
the meeting. _____ presided as the
Secretary of the meeting and recorded the minutes.

The minutes of the last meeting of the Board of Directors held
on _____ were read to those present, and there
being no objections, corrections or modifications thereto offered,
the same were approved.

The Chairman then announced that the next item of business was

the election of Officers of the Corporation. After discussion and upon nomination duly made and seconded, the following persons were elected as Officers of the Corporation:

_____	PRESIDENT
_____	VICE-PRESIDENT
_____	SECRETARY
_____	TREASURER

Thereupon the Chairman then presented to the meeting all papers and documents pertaining to corporate actions undertaken since the last meeting of Directors, all of which were laid upon the table and publicly declared by the Chairman to be open for inspection by the Directors.

Upon motion duly made, seconded and carried, it was RESOLVED that all purchases, contracts, contributions, compensations, acts, decisions, proceedings, elections, and appointments by the Board of Directors and the Officers of the Corporation since the last meeting of Directors on _____ be and the same are hereby approved and ratified.

There being no further business to come before this meeting, on motion duly made, seconded and carried, the meeting was declared adjourned.

Secretary of the Meeting

WAIVER OF NOTICE OF SPECIAL MEETING
OF MEMBERS

The undersigned, being the members of _____
_____, a Nonprofit Corporation incorporated under the
laws of the State of _____, do hereby waive notice
of the time, place and purpose of a special meeting of the Board of
Directors of the Corporation. The members designate the _____
day of _____ at _____ as the time
and _____

as the place of said meeting, the purpose of said meeting being to
do the following acts: _____

and to transact such other business related to the above acts.

Dated: _____

MINUTES OF THE SPECIAL MEETING
OF THE MEMBERS OF

A Special Meeting of the Members of _____
_____ was held on _____
_____ at _____ at _____
_____.

The Members present at the meeting were: _____

A Waiver of Notice for this meeting was signed by _____

The President of the Corporation served as the Chairman of
the meeting and the Secretary of the Corporation served as the
Secretary of the meeting.

As the first matter of business, the Chairman stated _____

Upon motion duly made, seconded and carried, it was
RESOLVED _____

There being no further business to come before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

Dated: _____

Secretary

WAIVER OF NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS

The undersigned, being the Directors of _____
_____ a nonprofit Corporation incorporated under
the laws of the State of _____, do hereby waive
notice of the time, place and purpose of a special meeting of the
Board of Directors of the Corporation. The Directors designate the
_____ day of _____ at _____ as the time
and _____ as the place of said
meeting, the purpose of said meeting being to do the following
acts: _____

and to transact such other business related to the above acts.

Dated: _____

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MINUTES OF THE SPECIAL MEETING

OF THE DIRECTORS OF

A Special Meeting of the Directors of _____
_____ was held on _____
_____ at _____ at _____
_____.

The Directors present at the meeting were _____

_____ who

together constituted a quorum, being a majority of the authorized
number of Directors of the Corporation.

A Waiver of Notice for this meeting was signed by _____

_____ served as the Chairman of the
meeting and _____ served as the
Secretary of the meeting.

As the first matter of business, the Chairman stated

Upon motion duly made, seconded and carried, it was

RESOLVED _____

There being no further business to come before the meeting, on
motion duly made, seconded and carried, the meeting was adjourned.

Dated: _____

Secretary

CHAPTER 12
CERTIFICATES OF CORPORATE RESOLUTIONS

The officers of a corporation have only the authority to act on behalf of the corporation that is bestowed upon them by the board of directors and the corporate bylaws. Hence many businesses and third parties require a certificate of corporate resolution executed by the corporate secretary stating that the board of directors had expressly granted the officer the power to execute a particular contract.

In order to get the certificate, the Board of Directors must hold a meeting and vote a resolution to grant the officer the specific power to do the intended act. Certificates of corporate resolutions are usually required when a corporate officer seeks to borrow money for the corporation, purchase property on credit for the corporation or lease property for the corporation.

A corporation is not bound by any acts of an officer it did not give the officer either express or implied authority to do. Thus third parties, particularly landlords and lenders, will not enter contracts with a corporation without first having a certificate of corporate resolution stating that the corporation approves the officer's execution of the contract.

Following this chapter are minutes of a special meeting of directors authorizing the corporation to purchase a specific piece of real property and a certificate of corporate resolution documenting that approval. The basic form of these minutes and certificate can be used for any transaction for which a certificate of corporate resolution is needed.

ABCDE CORPORATION

WAIVER OF NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS

The undersigned, being the directors of ABCDE CORPORATION
_____, a Nonprofit Corporation incorporated
under the laws of the State of CALIFORNIA, do hereby waive
notice of the time, place and purpose of a special meeting of the
Board of Directors of the Corporation. The directors designate the
25TH day of JUNE 2015 at 10:00 AM, as the time and 1999 TRUXTUN,
UKIAH, CALIFORNIA as the place of said meeting, the purpose of
said meeting being to do the following acts: vote as to whether the
corporation should execute a contract for the purchase of real
property and to transact such other business related to the above
acts.

Dated: _____

MINUTES OF THE SPECIAL MEETING

OF THE DIRECTORS OF

ABCDE CORPORATION

A Special Meeting of the Directors of ABCDE CORPORATION

_____ was held on _____
JUNE 25, 2015 at 10.A.M. at 1999 TRUXTUN, UKIAH,
CALIFORNIA.

The Directors present at the meeting were _____
JOAN A. DOE, MARK K. SMITH and JOHN Q. JONES
who together constituted a quorum, being a majority of the
authorized number of Directors of the corporation.

A waiver of notice for this Meeting was signed by _____
JOAN A. DOE, MARK K. SMITH and JOHN Q. JONES.

MARK K. SMITH served as the Chairman of the
meeting and JOAN A. DOE served as the
Secretary of the meeting.

As the first matter of business, the Chairman stated that the
Corporation should consider the purchase of the real property
described below.

Upon motion duly made, seconded and carried it was
RESOLVED that this Corporation purchase the real property
hereinafter described from GEORGE QUICK, HORACE EMMET,
PETE D. HOWELL and BEATRIZ F. HOWELL for a total sales
price including fees and costs of \$432,545.35.

RESOLVED FURTHER that the President and Secretary of this Corporation be and they hereby are authorized and directed to execute and deliver all documents and papers necessary in connection therewith and to affix the seal of the Corporation thereto.

The property covered by the sale is as follows:

Parcel 21 as numbered and designated upon Parcel Map of Minor Subdivision No. 13-91, filed for record 1-28-92 in Map Case of the County Recorder's Office of Mendocino County, California.

RESOLVED FURTHER that the President and Secretary of this Corporation be and they hereby are authorized and directed to execute and deliver all documents and papers necessary in connection therewith, and to affix the seal of the corporation thereto.

There being no further business to come before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

Dated: JUNE 25, 2015

JOAN A DOE, Secretary

RESOLUTION OF THE BOARD OF DIRECTORS

ABCDE

CORPORATION, A CALIFORNIA NONPROFIT CORPORATION

AUTHORIZING THE PURCHASE OF REAL ESTATE

RECITALS

WHEREAS the California Corporation Code empowers corporations organized under the General Corporation Law to PURCHASE AND OWN REAL PROPERTY,

WHEREAS the Articles of Incorporation and Bylaws of this corporation expressly provide that the powers of the Corporation are to be exercised by the Board of Directors, and

WHEREAS the Board of Directors deem it to be in the best interests of the Corporation in the economical transaction of its business to PURCHASE THE REAL PROPERTY DESCRIBED BELOW

therefore the following resolution is hereby adopted:

RESOLUTION

RESOLVED: that this Corporation purchase the real property hereinafter described from GEORGE QUICK, HORACE EBBET, PETE D. HOWELL and BEATRIZ F. HOWELL for a total sales price including fees and costs of \$432,545.35.

RESOLVED FURTHER that the President and Secretary of this Corporation be, and they hereby are authorized and directed to execute and deliver all and all documents and papers necessary in connection therewith, and to affix the seal of the Corporation thereto.

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The property covered by the sale is as follows:
Parcel 21 as numbered and designated upon Parcel Map of
Minor Subdivision No. 13-91, filed for record 1-28-92 in
Map Case of the County Recorder's Office of Mendocino
County, California.

RESOLVED FURTHER that the President and Secretary of this
Corporation be and they hereby are, authorized and
directed to execute and deliver all documents and papers
necessary in connection therewith and to affix the seal
of the Corporation thereto.

CERTIFICATE

I, JOAN A. DOE, hereby certify that
I am the duly qualified and acting Secretary of ABCDE CORPORATION
, a California Corporation.

That the foregoing Resolution of the Board of Directors of
ABCDE CORPORATION was duly adopted by the Board of Directors of
this Corporation at a special meeting duly called and held on JUNE
25, 2015 at the Corporation's principal place of business in
MENDOCINO County, CALIFORNIA and that the resolution has
neither been modified nor rescinded and is on the date of this
certificate in full force and effect.

IN WITNESS WHEREOF I have hereunder set my hand and affixed
the seal of the Corporation this 25TH day of JUNE 2015.

JOAN A. DOE, Secretary

CHAPTER 13
STATES' LAWS

This chapter is a synopsis of much of the material presented throughout this book as it relates to states and their requirements to form a nonprofit corporation. Neither this chapter nor this book is intended to replace the need for reviewing a state's nonprofit corporation law. The purpose of this book is to help a person or group form a nonprofit corporation easily and inexpensively and to explain how a nonprofit corporation operates.

The articles of incorporation presented in this book are a basic type that meets the current requirements of the various state laws. Before using the articles, the incorporator should review the state law to be assured that additional requirements were not recently added to the contents of articles of incorporation. Any such new requirements can be added as additional provisions. Also any optional provisions which the incorporators may wish to add to the articles can be typed in this section.

Many states provide, upon request, sample articles of incorporation through their secretary of state's office. These states are listed in this chapter. An incorporator may request a copy of those basic articles. The incorporator then has the option of using the articles presented in this book, using the basic articles of the state or creating a set of his own as long as the

minimum content requirements of state law are included in the articles.

A nonprofit corporation must have at least one director. Many states require that there be at least three directors. If the corporation is going to operate in more than one state, it must satisfy the minimum number of directors for each state. As a practical matter, the number of directors in the corporation and whether they are public officials or not is one of the factors the IRS uses in determining whether the corporation is publicly supported. Most states require the initial directors and their addresses be listed in the articles. Some state require that the names and addresses of the incorporators also be listed in the articles. The articles in this book list both the names and addresses of the incorporators and initial directors.

Several states have special requirements after the articles are filed with the secretary of state. Some states require that after the articles are filed the corporation record a copy of the articles in the county where the corporation will have its principal executive office. Other states require that the corporation publish a notice of incorporation in a paper of general circulation after incorporation. The states having such requirements are listed in this chapter. State law should also be reviewed to assure that additional requirements have not been added or that other states have not added new requirements.

ALABAMA

NONPROFIT CORPORATION LAW

TITLE 10, CHAPTER 3A

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE: Alabama is unique. Alabama, Arkansas and the District of Columbia are the only jurisdictions in which the incorporator does not file the articles directly with the secretary of state or the department of corporations. Instead, the incorporator files the articles and two copies with the probate judge of the county wherein the corporation will have its registered office. The judge then issues a certificate of incorporation to the incorporators. Within 10 days of the filing of the articles, the probate judge sends the original articles to the secretary of state.

ANNUAL REPORT: The corporation must file an annual report by March 15 on a form provided by the secretary of state which states:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has

- engaged in since the last annual report was filed; and
4. The names and addresses of the corporate officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by:

Alabama Department of Revenue
Income Tax Division
Corporate Income Tax Section
P.O. Box 327310
Montgomery, AL 36132-7310
(205) 242-2000

REQUIREMENTS: To receive the tax exemption, the corporation must submit:

1. A copy of its articles and bylaws.
2. Financial statements for the corporations.
3. An affidavit that the corporation exists to perform nonprofit purposes and how it will raise its money and how it will spend it.
4. A federal determination letter, if any. If a federal tax exemption has been sought, a copy of Form 1023 can be submitted to meet the requirements of item 3.
5. Religious, benevolent and educational nonprofit corporations are exempted from the annual permit fee of \$10 to \$100.

ALASKA

NONPROFIT CORPORATION LAW

NONPROFIT CORPORATION ACT, SECTION 10.06-208

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

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NAME: The name cannot be similar to another corporation, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles of incorporation.

WHERE TO FILE:

ALASKA DEPARTMENT OF COMMERCE
CORPORATIONS DIVISION
Pouch D
Juneau, AK 99811
(907) 465-2530

ANNUAL REPORT: The corporation must file an annual report by July 2 on a form provided by the secretary of state which states:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers, and
5. A financial statement and description of assets.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by:

Alaska Department of Revenue
State Office Building
P.O. BOX SA
Juneau, AK 99811-0400
(907) 465-2372

REQUIREMENTS: State tax exemption is automatic upon receipt of federal exemption. A copy of the federal determination letter must be submitted.

ARIZONA

NONPROFIT CORPORATION LAW

ARIZONA REVISED STATUTES, TITLE 10,
CORPORATIONS AND ASSOCIATIONS, 10-1002

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

Under section 10-1084, a certificate of disclosure regarding conduct of officers, directors and incorporators must accompany the articles. This statement must disclose all criminal felony convictions, convictions for theft, antitrust, restraint of trade and injunction within seven years.

WHERE TO FILE:

ARIZONA CORPORATIONS COMMISSION
P.O. BOX 6019
Phoenix, AZ 85005
(602) 255-3135

ANNUAL REPORT: The corporation must file an annual report by April 15 or 15th day of the 4th month of the corporation's fiscal year which states:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent;

3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate officers, and
5. Statement of disclosure regarding conduct of officers, directors and incorporators. This statement must disclose all criminal felony convictions, convictions for theft, antitrust, restraint of trade and injunction within seven years.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by:

Arizona Department of Revenue
Corporate Income Tax Section
1600 Washington Avenue
Phoenix, AZ 85007
(602) 542-3345 ext. 116

REQUIREMENTS: Automatic upon receipt of federal exemption. Must submit a copy of the federal determination letter along with copies of the articles and bylaws.

AFTERWARDS: The corporation must publish a notice of incorporation within 60 days of the filing of the articles in a paper of general circulation.

ARKANSAS

NONPROFIT CORPORATION LAW

NONPROFIT CORPORATION ACT, TITLE 4, SECTION 28

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation, be it

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profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation," "company" or "incorporated."

WHERE TO FILE: Arkansas is unique. It, Alabama and the District of Columbia are the only jurisdictions in which the incorporator does not file the articles directly with the secretary of state. Instead, the incorporator files the articles and two copies with the circuit court of the county where the corporation will have its registered office. The court then executes an approval of the articles. That approval along with two copies of the articles are then sent by the court to the secretary of state for filing.

FOR QUESTIONS CONTACT:

Arkansas Secretary of State
Corporation Section
Arkansas State Capitol, Room 058
Little Rock, Ar 72201

ANNUAL REPORT: Not required

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Department of Finance and Administration
P.O. Box 919
Little Rock, AR 72203-0919
(501) 682-4779

REQUIREMENTS: To receive the tax exemption, the corporation

must submit:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. An affidavit that the corporation exists to perform nonprofit purposes and how it will raise its money and how it will spend it,
4. Any federal determination letter. If a federal tax exemption has been sought, a copy of Form 1023 can be submitted to meet the requirements of item 3.

CALIFORNIA
NONPROFIT CORPORATION LAW
CORPORATIONS CODE SECTION 5000 ET SEQ.
ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE. Separate forms for public benefit, mutual benefit or religious nonprofit corporations.

NAME: The name cannot be similar to another corporation, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation" or "incorporated." The name cannot contain the words "bank," "trust" or "trustee."

WHERE TO FILE:

California Secretary of State
Corporation Section
1230 J Street
Sacramento, CA. 95814
(916) 445-0620

ANNUAL REPORT: Required within 120 days of the close of the

corporation's fiscal year. The report must contain:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed, and
4. The names and addresses of the corporate directors and officers,
5. A financial statement and description of assets, and
6. The filing fee for the tax exemption is \$25.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

California Franchise Tax Board
P.O. Box 651
Sacramento, CA. 95812-0651
(916) 369-4177

REQUIREMENTS: To receive the tax exemption, the corporation must complete California Form 3500. As part of Form 3500 the corporation must attach the following:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. Any federal determination letter. The information required on Form 3500 is the same as required on IRS Form 1023, and
4. The filing fee for the tax exemption is \$25.

California charges a franchise tax of \$800 for the articles of incorporation unless the corporation has received a state tax exemption. Most nonprofit corporations have not received the state tax exemption before filing the articles. They pay the \$800 which

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is refunded once the exemption is granted. Another method of filing is to give the secretary of state both the articles and the Form 3500. The secretary of state will then send the Form 3500 to the Franchise tax Board and hold up processing the articles until a determination is made on the tax exemption. This method usually takes up to 60 days during which time the articles have not been filed and the corporation is not permitted legally to conduct business.

COLORADO

NONPROFIT CORPORATION LAW

REVISED STATUTES, NONPROFIT CORPORATIONS ACT,

TITLE 7, ARTICLES 20 THROUGH 29

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE.

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Colorado Secretary of State
Corporation Office
1560 Broadway, Ste. 200
Denver, CO 80202
(303) 894-2251

ANNUAL REPORT: Required by May 1 every two years after

incorporation:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers;
5. A financial statement and description of assets.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Colorado Department of Revenue
Taxpayer Service Division
1375 Sherman Street
Denver, CO 80261
(303) 534-1208

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the federal determination letter can be sent to it.

CONNECTICUT

NONPROFIT CORPORATION LAW

GENERAL STATUTES, NON-STOCK CORPORATIONS CHAPTER 600,

CHARITABLE CORPORATIONS AND TRUSTS CHAPTER 598a

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE.

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or

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permitted under the articles. The name must contain the words "corporation," "company" or "incorporated."

WHERE TO FILE:

Secretary of State
30 Trinity Street
Hartford, CT 06106
(203) 566-8570

FILING FEE: For articles is \$30.

ANNUAL REPORT: Required within 30 days of incorporation and afterward as required by the secretary of state. Form provided by the secretary of state. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Connecticut Department of Revenue Services
92 Farmington Avenue
Hartford, CT 06105
(203) 566-8520

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the federal determination letter can be sent to it.

DELAWARE

NONPROFIT CORPORATION LAW

GENERAL CORPORATION LAW, DELAWARE CODE ANNOTATED,

TITLE 8, SECTION 100

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE.

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must contain the words "association," "club," "foundation," "fund," "corporation," "company," "incorporated," "institute" or "society."

WHERE TO FILE:

Department of State
Division of Corporations
P.O. Box 898
Dover, DE 19903
(302) 736-3073

ANNUAL REPORT: Required to be filed by June 1. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The names and addresses of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers,
5. The date of the next annual meeting,
6. Financial assets located in the state,
7. Tax exempt activities engaged in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The

exemption is administered by the:

Department of Finance
Division of Revenue
Carvel Office Building
820 French Street
Wilmington, DE 19801
(302) 571-8200

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must record the articles with the recorder of the county where the corporation's registered office is located within 20 days of the filing with the secretary of state.

DISTRICT OF COLUMBIA

NONPROFIT CORPORATION LAW

DISTRICT OF COLUMBIA CODE,

TITLE 29, CHAPTER 5, SECTION 29-501 ET SEQ.

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE: The District of Columbia is unique. The District of Columbia, Alabama and Arkansas are the only jurisdictions in which the incorporator does not file the articles

directly with the secretary of state. Instead, the incorporator files the articles a copy with the office of the mayor of the District of Columbia. If the Articles conform to the law, the mayor's office will file the articles and return a file stamped copy to the incorporators with a certificate of incorporation. Section 29-532.

Questions may be addressed to:

Department of Consumer and Regulatory Affairs
Corporations Division
614 H. Street, N.W.
Washington, DC 20001

ANNUAL REPORT: Required to be filed by April 15. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business which the corporation has engaged since the last annual report was filed, and
4. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Department of Finance and Revenue
300 Indiana Avenue, N.W.
Washington, DC 20001
(202) 727-6083

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption but the following information still must be provided:

1. A copy of the federal determination letter,
2. Copies of the articles and bylaws,
3. Statement of planned activities along with description of
Past activities,
4. Financial statements.

FLORIDA

NONPROFIT CORPORATION LAW

FLORIDA STATUTE, CORPORATION NOT FOR PROFIT CHAPTER 617

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: The corporate name cannot be similar to another corporation, be it profit or nonprofit or a partnership. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation" or "incorporated."

WHERE TO FILE:

Florida Department of State
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314
(904) 488-9000

ANNUAL REPORT: Required to be filed by July 1. The report must contain the following information:

1. The corporate name and address,
2. The name and address of the registered agent,
3. The names and addresses of the corporate officers and

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directors,

4. The date of incorporation, and
5. The federal identification number.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Department of Revenue
The Carlton Building
Tallahassee, FL 32399-0100
(904) 488-6800

REQUIREMENTS: State exemption is automatic following receipt of the federal tax exemption. State agency must be notified of the federal exemption. The federal determination letter is attached to Form 1120 (Florida Corporation Income Tax Return).

GEORGIA

NONPROFIT CORPORATION LAW

CODE ANNOTATED, NONPROFIT CORPORATIONS, TITLE 22

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must contain the words "corporation," "company," "limited" or "incorporated."

WHERE TO FILE:

Business Services and Regulation
West Tower, Suite 315
2 Martin Luther King Jr. Drive

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Atlanta, GA 30334

ANNUAL REPORT: Required to be filed by April 1. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The name and address of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Georgia Department of Revenue
Tax Exemption
P.O. Box 38467
Atlanta, GA 30334
(404) 656-7043

REQUIREMENTS: To receive the tax exemption, the corporation must complete Georgia Form 3605. As part of Form 3605. the corporation must attach the following:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. Any federal determination letter. The information required on Form 3500 is the same as required by IRS Form 1023.

AFTERWARDS: The corporation must publish a notice of filing of the articles of incorporation four times in a paper of general circulation. Form A100 is to be filed with the secretary of state to verify the filing.

HAWAII

NONPROFIT CORPORATION LAW

REVISED CODE, NONPROFIT CORPORATION ACT,

CHAPTER 415B.

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Department of Business and Consumer Affairs
P.O. Box 40
Honolulu, HI 96810
(808) 548-7505

ANNUAL REPORT: Required by April 1. The following information is required to be furnished:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed, and
4. The name and address of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Hawaii Department of Taxation
P.O. Box 1377

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Hilo, HI 9621-1377
(808) 548-6515

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the federal determination letter can be sent to it.

IDAHO

NONPROFIT CORPORATION LAW

IDAHO CODE, NONPROFIT CORPORATION ACT, SECTION 30-323

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: The name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must contain the words "corporation," "company," "incorporated" or "limited."

WHERE TO FILE:

Secretary of State
Statehouse, Room 203
Boise, ID 83720
(208) 334-2300

ANNUAL REPORT: Required by November 1. The following information is required to be furnished on forms provided by the secretary of state:

1. The corporate name and states in which it is operating,

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2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed, and
4. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Idaho State Tax Commission
Department of Revenue and Taxation
700 West State Street
Boise, ID 83722
(208) 334-7530

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the federal determination letter can be sent to it.

ILLINOIS

NONPROFIT CORPORATION LAW

ANNOTATED STATUTES, GENERAL NOT FOR PROFIT CORPORATION ACT,

805 ILCS 105 ET SEQ.

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Secretary of State

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Corporation Department
328 Centennial Building
Springfield, IL 62756
(217) 782-7880

ANNUAL REPORT: Required to be filed each year within 60 days of the anniversary of the filing of the articles of incorporation. The following information must be reported on forms provided by the secretary of state:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers, and
5. The principal address of the corporation.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

ILLINOIS DEPARTMENT OF REVENUE
INCOME TAX DIVISION
P.O. BOX 3545
SPRINGFIELD, IL 62708
(800) 641-2150

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the federal determination letter can be sent to it.

AFTERWARDS: The corporation must file the articles with the county recorder within 15 days of filing the articles.

INDIANA

NONPROFIT CORPORATION LAW

STATUTES ANNOTATED,
NOT FOR PROFIT CORPORATION ACT, 23-7- 1.1
ARTICLES OF INCORPORATION
SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation, be it profit or nonprofit or partnership. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation" or "incorporated."

WHERE TO FILE:

Indiana Secretary of State
Corporations Division
Statehouse, Room 155
Indianapolis, IN 46204

ANNUAL REPORT: Required to be filed within the calendar quarter in which the articles of incorporation were filed on forms to be provided by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged since the last annual report was filed,
4. The names and addresses of the corporate directors and officers,
5. A verified financial statement and description of assets,
6. Date of incorporation, and
7. The purposes of the corporation.

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STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Indiana Department of Revenue
State Office Building
Indianapolis, IN 46204-2253
(317) 232-2188

REQUIREMENTS: To receive the tax exemption, the corporation must complete Indiana Form IT-35A within 120 days of incorporation. As part of Form IT-35A the corporation must attach the following:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. Its federal determination letter. The information required on Form IT-35A is virtually the same as required under IRS Form 1023.

IOWA

NONPROFIT CORPORATION LAW

CODE ANNOTATED, NONPROFIT CORPORATIONS, CHAPTER 504A

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation, be it profit or nonprofit or partnership. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Secretary of State
Corporations Division
Hoover Building

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Des Moines, IA 50319
(515) 281-5204

ANNUAL REPORT: Required to be filed by April 1 on forms to be provided by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged in since the last annual report was filed, and
4. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Iowa Department of Revenue
Business Section
Hoover Office Building
Des Moines, IA 50319
(515) 281-3114

REQUIREMENTS: The state exemption follows receipt of the federal tax exemption. To receive the state tax exemption, the corporation must provide the following information:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations, and
3. Its federal determination letter.

KANSAS

NONPROFIT CORPORATION LAW

KANSAS STATUTES ANNOTATED, 17-6000

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must contain the words "association," "club," "foundation," "fund," "corporation," "company," "incorporated," "institute," "society" or "union."

WHERE TO FILE:

Secretary of State
Corporations Division
State Capitol, 2nd Floor
Topeka, KS 66612-1594
(913) 296-2236

ANNUAL REPORT: Required to be filed by April 15. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A balance sheet for the corporation,
4. The name and address of the corporate directors and officers,
5. The number of members.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Kansas Department of Revenue
P.O. Box 12001
Topeka, KS 66612-1588
(913) 296-6661

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must file the articles with the registrar of deeds where the corporation's registered office is located within 20 days of the filing with the secretary of state.

KENTUCKY

NONPROFIT CORPORATION LAW

REVISED STATUTES, NONPROFIT CORPORATIONS, CHAPTER 273

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must include the words "corporation," "incorporated," "company" or their abbreviations.

WHERE TO FILE:

Secretary of State
State Capitol
P.O. Box 718
Frankfort, KY 40602
(502) 564-2848

ANNUAL REPORT: Required to be filed by June. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A balance sheet for the corporation, and
4. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Kentucky Revenue Cabinet
Corporations Income Tax Section
P.O. Box 1302
Frankfort, KY 40620
(502) 564-3658

REQUIREMENTS: State tax exemption is automatic upon receiving

a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it. A copy of form 1023 must also be submitted along with the letter requesting the state tax exemption.

AFTERWARDS: The corporation must file the articles with the county clerk where the corporation will have its registered office.

LOUISIANA

NONPROFIT CORPORATION LAW

STATUTES ANNOTATED, NONPROFIT CORPORATION LAW,

SECTION 12

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must include the words "corporation," "incorporated," "company" or there abbreviations. The name cannot make any reference to banks, savings and loans, insurance or cooperatives.

WHERE TO FILE:

Secretary of State
Corporations Division
P.O. Box 94125
Baton Rouge, LA 70804-9125
(504) 925-4704

ANNUAL REPORT: Required to be filed by May 15. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers and the expiration date of their terms.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

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Louisiana Department of Revenue and Taxation
P.O. Box 201
Baton Rouge, LA 70821
(504) 925-4611

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must file the Articles with the recorder in the parish where the corporation will have its registered office.

MAINE

NONPROFIT CORPORATION LAW

REVISED STATUTES ANNOTATED, NONPROFIT CORPORATIONS,

TITLE 13B

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or corporation is formed for a purpose not stated or permitted under the certificate.

WHERE TO FILE:

Secretary of State
Bureau of Corporations, Elections and Commissions
State House Station #101
Augusta, ME 04333-0101
(207) 289-4195

ANNUAL REPORT: Required to be filed by June 1 and December 31 of each year. Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent, and
3. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The

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exemption is administered by the:

Maine Bureau of Taxation
Department of Finance and Administration
State House Station #24
Augusta, ME 04333
(207) 289-2076

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

MARYLAND

NONPROFIT CORPORATION LAW

ANNOTATED CODE OF MARYLAND,

CORPORATIONS AND ASSOCIATION, SECTION 2-200

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must include the words "corporation," "incorporated," "company" or their abbreviations.

WHERE TO FILE:

Maryland Department of Assessments and Taxation
Corporate Charter Division
301 2. Preston Street
Baltimore, MD 21201
(301) 225-1340

ANNUAL REPORT: Required to be filed by April 15 of each year.
Form supplied by the secretary of state. Information required to be

furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent, and
3. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Maryland Comptroller of the Treasury
Income Tax Division
P.O. Box 466
Annapolis, MD 21404-0466
(301) 974-3457

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

MASSACHUSETTS

NONPROFIT CORPORATION LAW

GENERAL LAWS OF MASSACHUSETTS, CHAPTER 180

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate. The name must include the words "corporation," "incorporated," "limited" or their abbreviations.

WHERE TO FILE:

Massachusetts Secretary of State
Corporations Division

GABRIEL-NONPROFIT CORPORATIONS-353

One Ashburton Place, Room 1717
Boston, MA 02108
(617) 727-9440

ANNUAL REPORT: Required to be filed by November 1.

Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates, and
4. The time and place of the previous annual meeting.

Form PC must also be filed with the Attorney General's Division of Public Charities. This Form PC is obtained from:

Division of Public Charities
One Ashburton Place, 21st Floor
Boston, MA 02108
(617) 727-2235

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Massachusetts Department of Revenue
Determination Bureau
100 Cambridge Street, 3rd Floor
Boston, MA 02108
(617) 727-0135

REQUIREMENTS: To receive the tax exemption, the corporation must complete Massachusetts Form TA1. As part of Form TA1. the corporation must attach the following:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. A federal determination letter. The information required on Form TA1 is the same as required under IRS Form 1023.

MICHIGAN

NONPROFIT CORPORATION LAW
COMPLIED LAWS, NONPROFIT CORPORATION ACT, SECTION 450
ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Michigan Department of Commerce
Corporation and Securities Bureau
Corporation Division
P.O. Box 30054
Lansing, MI 48909
(517) 334-6302

ANNUAL REPORT: Required to be filed by October 1 of each year.
Information required to be furnished is:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. A statement of the business in which the corporation has engaged in since the last annual report was filed,
4. The names and addresses of the corporate directors and officers,
5. A verified financial statement and description of assets,
6. Distributions to members, officers and directors,
7. Date of incorporation, and
8. The purposes of the corporation.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Michigan Department of Treasury
Bureau of Collections
Single Business Tax Administration

GABRIEL-NONPROFIT CORPORATIONS-355

Treasury Building
Lansing, MI 48922
(517) 373-8030

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it. Michigan does not have a corporate income tax. Instead, Michigan imposes a value added tax (VAT).

MINNESOTA

NONPROFIT CORPORATION LAW

BUSINESS CORPORATION AND NONPROFIT ACT, CHAPTER 317

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Minnesota Secretary of State
Business Services Division
180 State Office Building
St. Paul, MN 55115
(612) 296-2863

ANNUAL REPORT: Required to be filed by February 1. Form supplied by the secretary of state. Information required to be furnished is:

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1. The corporate name and states in which it is operating,
2. The name and address of the registered agent, and
3. The names and addresses of the corporate directors and officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Minnesota Department of Revenue
P.O. Box 64446
St. Paul, MN 55145-4453
(512) 296-0555

REQUIREMENTS: To receive the tax exemption, the corporation must complete Minnesota Form M-120. As part of Form M-120, the corporation must attach a copy of both its Form 1023 and its determination letter from the IRS.

MISSISSIPPI

NONPROFIT CORPORATION LAW

NONPROFIT CORPORATION ACT, SECTION 79-11-101 ET AL

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

MISSISSIPPI SECRETARY OF STATE
CORPORATE DIVISION
P.O. BOX 136
JACKSON, MS 39205

(601) 359-1350

ANNUAL REPORT: Annual report is not required but it is requested that the corporation annually provide the following information:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates,
4. Whether the corporation has members, and
5. A statement of its activities undertaken in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Mississippi State Tax Commission
Income and Franchise Tax Division
P.O. Box 1033
Jackson, MS 39125
(601) 359-1141

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must file the articles with the county clerk where the corporation will have its registered office. In addition, the articles must be published in a newspaper for that county.

MISSOURI

NONPROFIT CORPORATION LAW

REVISED STATUTES OF MISSOURI, CHAPTER 355

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Missouri secretary of state
Corporations division
P.O. Box 778
Jefferson city, MO 65102
(314) 751-2127

ANNUAL REPORT: Annual report is due by March 1. The following information must be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates, and
4. A statement of its activities undertaken in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Missouri Department of Revenue
Income Taxes Bureau
P.O. Box 700
Jefferson City, MO 65105-0700
(314) 751-4541

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

MONTANA

NONPROFIT CORPORATION LAW

REVISED CODE CORPORATIONS,
PARTNERSHIPS AND ASSOCIATIONS, TITLE 35
ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation," "company," "incorporated," "limited" or their abbreviations.

WHERE TO FILE:

Montana Secretary of State
Corporations Bureau
Montana State Capitol
Helena, MT 59620
(406) 444-3665

ANNUAL REPORT: Annual report is required to be filed by April 15. The following information must be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates,
4. Whether the corporation has members, and
5. A statement of its activities undertaken in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Montana State Department of Revenue
Natural Resource Incorporation Tax Division
P.O. Box 5835
Helena, MT 59620

GABRIEL-NONPROFIT CORPORATIONS-360

(406) 444-2837

REQUIREMENTS: Separate tax application must be submitted. The following information must be submitted on the state application:

1. A copy of its articles and bylaws,
2. Financial statements for the corporations,
3. Any federal determination letter. The information required is essentially the same as required by IRS Form 1023, and
4. Whether any member, private individual or entity will receive benefits from the corporation.

NEBRASKA

NONPROFIT CORPORATION LAW

REVISED STATUTES, NONPROFIT CORPORATION ACT,

CHAPTER 21, ARTICLE 19

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Nebraska Secretary of State
Corporate Office
State Capitol Building, Room 2304
Lincoln, NE 68509
(402) 471-4079

ANNUAL REPORT: Annual report is due by June 1. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and

officers along with their term's expiration dates,

4. A statement of its activities undertaken in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Nebraska Department of Revenue
P.O. Box 94818
Lincoln, Ne 68509-4818
(402) 471-5729

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must file the articles with the county clerk where the corporation will have its registered office. In addition, the articles must be published in a newspaper for that county.

NEVADA

NONPROFIT CORPORATION LAW

REVISED STATUTES,

NONPROFIT AND COOPERATIVE CORPORATIONS AND ASSOCIATIONS, CHAPTERS
81-86

ARTICLES OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Nevada Secretary of State
Capitol Complex
Carson City, NV 89710-0003
(702) 885-5203

ANNUAL REPORT: Annual report is due on the anniversary date

of the filing of the articles. Forms are provided by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates.

STATE TAX EXEMPTION: Nevada has no corporate or franchise taxes. Questions about other taxes can be addressed to:

Nevada Department of Taxation
Capitol Complex
Carson City, NV 89710-0003
(702) 885-4820

AFTERWARDS: The corporation must file the articles with county clerk where the corporation's registered office is located within 60 days of the filing with the secretary of state.

NEW HAMPSHIRE

NONPROFIT CORPORATION LAW

REVISED STATUTES ANNOTATED, CHAPTER 292

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

New Hampshire Secretary of State
Corporation Division
State House, Room 204
Concord, NH 03301
(603) 271-3244

ANNUAL REPORT: Annual report is due every five years on the anniversary date of the filing of the articles. Forms are provided

by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates.

STATE TAX EXEMPTION: New Hampshire has no corporate or franchise taxes. Questions about other taxes can be addressed to:

New Hampshire Department of Revenue Administration
P. O. Box 637
Concord, NH 03302-0637
(603) 271-2186

NEW JERSEY

NONPROFIT CORPORATION LAW

NEW JERSEY STATUTES ANNOTATED, TITLE 15A

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY THE SECRETARY OF STATE

NAME: Name cannot be similar to another corporation, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "a New Jersey corporation," "corporation," "incorporated," or their abbreviations.

WHERE TO FILE:

New Jersey Secretary of State
Division of Commercial Recording, Cn-308
Trenton, NJ 08625
(609) 530-6400

ANNUAL REPORT: Required to be filed each year on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent, and
3. The names and addresses of the corporate directors and

officers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

New Jersey Department of the Treasury
Division of Taxation
50 Barrack Street
Cn-269
Trenton, NJ 08646
(609) 292-5994

REQUIREMENTS: To receive the tax exemption, the corporation must submit the following:

1. An affidavit that the corporation is formed for nonprofit purposes, does not have stock and was formed pursuant to Title 15A of New Jersey statutes;
2. A copy of its certificate of incorporation and bylaws, and
3. A copy of the federal determination letter.

NEW MEXICO

NONPROFIT CORPORATION LAW

STATUTES ANNOTATED,

NONPROFIT CORPORATIONS, 53-8-1 ET SEC.

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

New Mexico State Corporation Commission
Corporation Department
P.O. Drawer 1269
Santa Fe, NM 87504-1269

ANNUAL REPORT: Annual report is due by 15th day of the 3rd month after the end of the corporation's fiscal year. The first annual report is due 30 days after the date of incorporation. Forms are provided by the secretary of state. The following information is required to be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates,
4. A statement of its activities undertaken in the state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

New Mexico Taxation and Revenue Department
P.O. Box 630
Santa Fe, NM 85709-0630
(505) 827-0700

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

NEW YORK

NONPROFIT CORPORATION LAW

NEW YORK NOT FOR PROFIT CORPORATION LAW, SECTION 400

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words,

GABRIEL-NONPROFIT CORPORATIONS-366

"corporation," "company," "incorporated," "limited" or their abbreviations.

WHERE TO FILE:

New York Department of State
Division of Corporations
162 Washington Avenue
Albany, NY 12231-0001
(518) 473-2492

ANNUAL REPORT: May be required by the secretary of state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

New York State Department of Taxation and Revenue
Technical Services Bureau
State Campus, Building 9, Room 104
Albany, NY 12227
(518) 457-6139

REQUIREMENTS: Separate tax application on Form CT-247 must be submitted. The following information must be submitted on the state application CT-247:

1. A copy of its articles and bylaws,
2. Financial statements for the corporation,
3. A federal determination letter, if any. The information required is essentially the same as required by IRS Form 1023,
4. Whether any member, private individual or entity will receive benefits from the corporation, and
5. A list of any unrelated business activities.

NORTH CAROLINA

NONPROFIT CORPORATION LAW

GENERAL STATUTES, CORPORATION LAWS, CHAPTER 55A

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

North Carolina Secretary of State
Corporations Divisions
300 North Salisbury Street
Raleigh, NC 27603-5908
(919) 733-4201

ANNUAL REPORT: Not required.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

North Carolina Department of Revenue
P.O. Box 25000
Raleigh, NC 27640
(919) 733-3166

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it. The agency will request a copy of the corporation's articles and bylaws along with the determination letter.

AFTERWARDS: The corporation must file the articles with county clerk where the corporation's registered office is located within

sixty (60) days of the filing with the secretary of state.

NORTH DAKOTA

NONPROFIT CORPORATIONS LAW

NONPROFIT CORPORATIONS ACT, CHAPTER 10-24

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Secretary of State
Corporation Division
Main Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505-0500
(701) 224-4284

ANNUAL REPORT: Annual report is not required.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

North Dakota State Tax Department
Corporate Income Tax Supervisor
600 E. Boulevard Ave
Bismarck, ND 58505
(701) 224-2045

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

NONPROFIT CORPORATIONS LAW
REVISED CODE ANNOTATED, NONPROFIT CORPORATION LAW,
SECTION 1702 ET SEQ.

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Secretary of State
Corporation Section
30 East Broad Street, 14th Street
Columbus, OH 43266-0418
(614) 466-8438

ANNUAL REPORT: Annual report is not required but every five years the corporation must file a statement of existence to prove that it is still in operation.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Ohio Secretary of State
Corporate Income Tax Division
30 East Broad Street, 14th Street
Columbus, OH 43266-0418
(614) 846-6712

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

OKLAHOMA

NONPROFIT CORPORATION LAW
OKLAHOMA STATUTES, CORPORATIONS, TITLE 18
CERTIFICATE OF INCORPORATION
SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the certificate.

WHERE TO FILE:

Secretary of State
Corporation Filing Division
101 State Capitol Building
Oklahoma City, OK 73105
(405) 521-3911

ANNUAL REPORT: Annual report is due by April 1 to be filed with the state tax commission. Forms are provided by the secretary of state. the following information is required to be provided:

1. The amount of public contributions received,
2. The amount of contributions used for charitable purposes,
3. The cost of soliciting funds, and
4. The amount paid to professional fund raisers.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Oklahoma Tax Commission
2501 Lincoln Blvd.
Oklahoma City, OK 73194
(405) 521-1350

REQUIREMENTS: State tax exemption is automatic upon receiving

a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

OREGON

NONPROFIT CORPORATION LAW

REVISED STATUTES, NONPROFIT CORPORATIONS, CHAPTER 61

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words "corporation," "company," "incorporated," "limited" or their abbreviations.

WHERE TO FILE:

Secretary of State
Corporation Division
158 12th St., Ne
Salem, OR 97310-0210
(503) 378-4166

ANNUAL REPORT: Annual report is due by the anniversary date of the filing of the articles on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers, and
4. The classification code that most closely designates the

operation of the corporation as used by the secretary of state.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Oregon Department of Revenue
955 Center Street, Ne.
Salem, OR 97310
(503) 378-3725

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

PENNSYLVANIA

NONPROFIT CORPORATION LAW

LAWS OF PENNSYLVANIA, CORPORATIONS AND

UNINCORPORATED ASSOCIATIONS, SECTION 5300

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must include the words, "corporation," "company," "incorporated," "limited" or their abbreviations, also "association," "fund" or "syndicate."

WHERE TO FILE:

Pennsylvania Department of State
Corporation Bureau
North Office Building, Room 308

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Harrisburg, PA 17120
(717) 787-2004

ANNUAL REPORT: Annual report must be filed before the corporation begins operation and then each year thereafter. This is called the corporate registration information statement furnished by the department of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers,
4. The date of incorporation,
5. The corporate fiscal year, and
6. The statute under which the corporation is formed.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Pennsylvania Department of Revenue
Bureau of Corporation Taxes
P.O. Box 8911
Harrisburg, PA 17127
(717) 783-6035

REQUIREMENTS: State tax exemption is usually automatic upon filing the corporate registry information statement.

AFTERWARDS: The corporation must file the articles with the clerk of the court of common please where the corporation's registered office will be located. In addition, the corporation must publish in two papers of general circulation a notice of the filing of the articles.

RHODE ISLAND

NONPROFIT CORPORATION LAW

GENERAL LAWS, NONPROFIT CORPORATION ACT,

SECTION 7-6-34

CERTIFICATE OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Secretary of State
Corporations Division
100 N. Main Street
Providence, RI 02903
(401) 277-3040

ANNUAL REPORT: Annual report is due July 1. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement as to business operations and affairs.

STATE TAX EXEMPTION: There is a state tax exemption which is automatic upon filing of the articles for most nonprofit corporations. Questions regarding other taxes, such as sale tax exemptions, should be addressed to:

Rhode Island Department of Administration

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Division of Taxation
289 Promenade Street
Providence, RI 02908
(401) 277-2905

Note: Certain nonprofit corporations will have special filing requirements and thus will have to pay a \$100 filing fee. The corporation should contact the division of taxation to ascertain if it is subject to any special filing requirements.

SOUTH CAROLINA

NONPROFIT CORPORATION LAW

CODE OF LAWS OF SOUTH CAROLINA, TITLE 33, SECTION 31

DECLARATION AND PETITION FOR INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE.

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under law. The name must include the words "corporation," "incorporated," "company," "limited" or their abbreviations.

WHERE TO FILE: Filing fee \$25.00

South Carolina Secretary of State
Corporation Department
P.O. Box 11350
Columbia, SC 29211

The Articles must contain the following information:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the incorporators
4. The street address of the registered office and its

- proposed principal office.
5. Whether the corporation will have members
 6. Distribution of assets upon dissolution
 7. The corporation must be one of the following:
 - (a) a public benefit corporation
 - (b) a mutual benefit corporation
 - (c) a religious corporation

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

South Carolina Tax Commission
P.O. Box 125
Columbia, SC 29214
(803) 737-5000

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

SOUTH DAKOTA

NONPROFIT CORPORATION LAW

CODIFIED LAWS, NONPROFIT CORPORATIONS, TITLE 47-22

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY THE SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the declaration.

WHERE TO FILE:

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SOUTH DAKOTA SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL
PIERRE, SD 57501
(605) 773-4845

ANNUAL REPORT: Corporate report is due every three years by the end of the first month following the anniversary date of the filing of the articles of incorporation. Forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement as to business operations and affairs, and
5. A financial statement.

STATE TAX EXEMPTION: The state does not have a corporate income or franchise tax. Questions on other taxes, such as obtaining a sales tax exemption, can be addressed to:

South Dakota Department of Revenue
700 Governors Drive
Pierre, SD 57501-2276
(605) 773-5141

TENNESSEE

NONPROFIT CORPORATION LAW

NONPROFIT CORPORATION ACT, SECTION 48-54-101

CHARTER OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate

that the corporation is formed for a purpose not stated or permitted under the charter.

WHERE TO FILE:

Tennessee Secretary of State
Corporations Section
James K. Polk Building, 18th Floor
Nashville, TN 37219
(615) 741-2286

ANNUAL REPORT: Annual report must be filed by the 15th day of the fourth month following the anniversary of the filing of the charter of incorporation. The following information must be provided:

1. The corporate name and states in which it is operating,
2. The name and address of the registered agent,
3. The names and addresses of the corporate directors and officers along with their term's expiration dates,
4. The corporation's federal identification number,
5. A statement of its activities undertaken in the state, and
6. Whether the corporation is a public benefit, mutual benefit or religious corporation.

STATE TAX EXEMPTION: There is a state tax exemption which is automatic upon filing of the charter. The exemption is administered by:

Tennessee Department of Revenue
Andrew Jackson Office Building
500 Deaderick Street
Nashville, TN 37242-1099
(615) 741-3133

TEXAS

NONPROFIT CORPORATION LAW

TEXAS NONPROFIT CORPORATION ACT, ARTICLE 1396

CERTIFICATE OF INCORPORATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Texas Secretary of State
Statutory Filings Division
Corporations Section
P. O. Box 13697
Austin, TX 78711-3697

ANNUAL REPORT: Secretary of state may request a report once every four years. When a report is requested, the secretary will provide the form. The following information must then be furnished:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement as to business operations and affairs.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Texas Comptroller
Exempt Organizations
111 W. 6th Street
Austin, TX 78701
(512) 463-4142

GABRIEL-NONPROFIT CORPORATIONS-380

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

UTAH

NONPROFIT CORPORATION LAW

CODE ANNOTATED, CORPORATION LAWS, SECTION 16-6, ET SEQ.

ARTICLES OF INCORPORATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Utah Department of Commerce
Division of Corporations and Commercial Code
P.O. Box 45801
Salt Lake City, UT 84145-0801
(801) 530-6024

ANNUAL REPORT: Annual report is filed by the end of the month of the anniversary date of the filing of the articles. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors.

STATE TAX EXEMPTION: There is a state tax exemption. The

GABRIEL-NONPROFIT CORPORATIONS-381

exemption is administered by the:

Utah State Tax Commission
160 E. Third South
Salt Lake City, UT 84134
(801) 530-4848

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

VERMONT

NONPROFIT CORPORATION LAW

STATUTES ANNOTATED, NONPROFIT CORPORATIONS, TITLE 11

ARTICLES OF ASSOCIATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Vermont Secretary of State
Corporations Division
Pavilion Office Building
Montpelier, VT 05602
(802) 828-2386

ANNUAL REPORT: Status report on corporation must be filed every five years on the anniversary date of the filing of the articles, The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,

4. A statement of the business affairs and operations of the corporation.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Vermont Commissioner of Taxes
Agency of Administration
Pavilion Office Building
Montpelier, VT 05602
(802) 828-2551

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it. Copies of the articles and bylaws must also be submitted.

VIRGINIA

NONPROFIT CORPORATION LAW

VIRGINIA CODE, NONPROFIT CORPORATION ACT, SECTION 13.1

ARTICLES OF ASSOCIATION

SAMPLE: NOT PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Virginia Secretary of State
Clerk's Office
State Corporation Commission
P.O. Box 1197
Richmond, VA 23209

GABRIEL-NONPROFIT CORPORATIONS-383

(804) 786-3733

ANNUAL REPORT: Annual report filed by April 1. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Virginia Department of Taxation
P. O. Box 6-1
Richmond, VA 23282

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it. Copies of the articles and bylaws must also be submitted.

WASHINGTON

NONPROFIT CORPORATION LAW

REVISED CODE, NONPROFIT CORPORATION ACT, TITLE 24

ARTICLES OF ASSOCIATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name can not end with the words "incorporated," "company," "limited" or an abbreviation thereof.

GABRIEL-NONPROFIT CORPORATIONS-384

WHERE TO FILE:

Secretary of State
Corporation Division
Republic Building, 2nd Floor
505 E. Union
Olympia, WA 98504
(206) 753-7115

ANNUAL REPORT: Annual report filed by March 1 on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement of business affairs and operations.

STATE TAX EXEMPTION: There is no corporate income or franchise tax. Questions regarding other taxes should be addressed to:

Washington State Department of Revenue
General Administration Building
AX-02
Olympia, WA 98504-0090
(206) 753-5540

WEST VIRGINIA

NONPROFIT CORPORATION LAW

CODE, BUSINESS AND NONPROFIT CORPORATIONS, SECTION 31

ARTICLES OF ASSOCIATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or

GABRIEL-NONPROFIT CORPORATIONS-385

partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles. The name must contain the words, "corporation," "limited," "incorporated," "company" or an abbreviation thereof.

WHERE TO FILE:

West Virginia Secretary of State
Corporations Division
Capitol Building, W-139
Charleston, WV 25305
(304) 345-4000

ANNUAL REPORT: Annual report filed by April 1 on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement of business affairs and operations.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

West Virginia Tax Department
Taxpayer Services Division
P.O. Drawer 3784
Charleston, WV 253376-3784

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

AFTERWARDS: The corporation must file the articles with the

county clerk where the corporation will have its registered office.

WISCONSIN

NONPROFIT CORPORATION LAW

STATUTES ANNOTATED, NONPROFIT CORPORATION LAWS,

SECTION 181, ET SEC.

ARTICLES OF ASSOCIATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not Stated or permitted under the articles. The name must contain the words, "corporation," "limited," "incorporated" or an abbreviation thereof.

WHERE TO FILE:

Wisconsin Secretary of State
Corporation Division
P.O. Box 7846
Madison, WI 53707
(608) 266-3590

ANNUAL REPORT: Annual report filed within the quarter of the anniversary of the filing of the articles of incorporation on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,

4. A statement of business affairs and operations.

STATE TAX EXEMPTION: There is a state tax exemption. The exemption is administered by the:

Wisconsin Department of Revenue
P.O. Box 8906
Madison, WI 53708
(608) 266-2776

REQUIREMENTS: State tax exemption is automatic upon receiving a federal tax exemption. The above agency should be contacted so that a copy of the determination letter can be sent to it.

WYOMING

NONPROFIT CORPORATION LAW

WYOMING STATUTES, NONPROFIT CORPORATIONS,

SECTION 17-6-101, ET SEC.

ARTICLES OF ORGANIZATION

SAMPLE: PROVIDED BY SECRETARY OF STATE

NAME: Name cannot be similar to another corporation or partnership, be it profit or nonprofit. The name cannot indicate that the corporation is formed for a purpose not stated or permitted under the articles.

WHERE TO FILE:

Wyoming Secretary of State
Corporation Division
Capitol Building
Cheyenne, WY 82002-0020
(307) 777-7311

ANNUAL REPORT: Annual report filed by the date of the

anniversary of the filing of the articles of incorporation on forms provided by the secretary of state. The following information is required to be provided:

1. The corporate name and address,
2. The name and address of the resident agent,
3. The names and addresses of the officers and directors,
4. A statement of business affairs and operations, and
5. An itemized statement of assets located in the state.

STATE TAX EXEMPTION: There is no corporate income or franchise tax.

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Basic Articles for

Alabama, Alaska, Arizona, Arkansas,
 Colorado, Florida, Georgia, Hawaii,
 Idaho, Iowa, Kansas, Kentucky, Maine,
 Maryland, Missouri, Mississippi,
 Nebraska, New Mexico, Nevada, N. Dakota,
 Ohio, Rhode Island, Texas, Utah, Vermont,
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