

C. HOW TO PREPARE ARTICLES OF INCORPORATION

The filing of Articles of Incorporation establishes the existence of a corporation in a state. (Some states use the term “Certificate of Incorporation” instead of “Articles of Incorporation.”) Articles are filed by the founders of a nonprofit organization with the appropriate state agency. Most state agencies that oversee incorporation will provide templates and/or instructions regarding articles of incorporation and will have specific forms for a nonprofit corporation that are different than those of a for-profit business corporation. In most states, the state agency overseeing corporations is the secretary of state.

Note, however, that not all state templates contain the required elements to obtain federal tax-exempt status. The information below is designed to assist conferences and councils to develop Articles that are compliant with federal tax regulations for exempt organizations.

Additionally, some state laws require that certain provisions be included in the Articles, rather than a corporation’s bylaws, to be effective. Please consult an attorney to ensure that the Articles include all provisions necessary to obtain relevant state tax exemptions and to allow the conference or council to operate in the manner it believes will best serve the organization.

PROVISIONS IN ARTICLES OF INCORPORATION

The following provisions should be included in the Articles. Text in italics is explanatory; text in regular font is specific language for use in the Articles, with brackets indicating portions that may be tailored. If a state form already asks for certain information, such as a blank to fill in the corporation’s name or spaces to list initial directors, the provision does not need to be repeated on any attachment including those provisions below that are not on the form itself.

CORPORATE NAME

The name of this corporation shall be [*Name of Council or Conference*].

REGISTERED AGENT AND REGISTERED OFFICE

The purpose of requiring each corporation to maintain a registered agent and a registered office is to provide a public record of the name of a person upon whom service of process against the corporation may be made. This person also is the one to whom official correspondence from the state agency is sent.

Many states require the corporation to annually file a short report on an annual or biennial basis listing the current officers and directors and the corporation's address in order to keep the corporation active and in good standing with the state. This report is separate and distinct from the 990 reporting requirement and other state reporting. Notices concerning this reporting requirement are typically sent to the registered office of the corporation.

The "registered agent" can be the attorney or accountant for the corporation or may be a trusted volunteer, an officer, or a director.

The "registered office" is the address of the registered agent. Thus, if the registered agent is an attorney or accountant, this will be his or her office address, not the address of the corporation. Some states also require the organization's own physical address and/or mailing address to be listed separately on the form.

A corporation can legally change the registered agent or office at any time by submitting a form to the state agency overseeing corporations.

The initial Registered Agent and Registered Office of the Corporation shall be [name and address of Registered Agent].

BOARD OF DIRECTORS

The conference or council should designate a minimum of three (3) directors.

[Name of Council or Conference] shall be governed by its board of directors.

The initial directors of the corporation shall be:

[Names and addresses of directors]

Name	Mailing Address

CORPORATE PURPOSES

States often allow nonprofit organizations to use a very simple statement of purpose, such as "charitable purposes," or to state that the organization is organized for any lawful purpose. Nonprofit organizations seeking tax exemption, however, need to be more specific with their purpose statements and should include a statement that the

organization is organized in accordance with Section 501(c)(3) of the Internal Revenue Code. Organizations should also have a purpose statement that is succinct, while accurately reflecting the purpose of the organization, in order to guide leaders in creating programs that meet that purpose. The following purpose statement sample for conferences and councils includes a mandatory first sentence with 501(c)(3) language, along with a second sample sentence providing the more specific purpose of the organization. (The second sentence may be further tailored, such as to include geographical information.)

[Name of Council] (“Corporation”) is organized and operated exclusively for religious purposes in accordance with Section 501(c)(3) of the Internal Revenue Code of 1986 (or a corresponding provision of any future United States Internal Revenue law, referred to below as the “Code”). [More specifically, the Corporation is a Catholic lay organization, organized to provide opportunities for spiritual growth and fellowship and to serve the needy and suffering.]

ADDITIONAL PROVISIONS

In order to meet the requirements for Section 501(c)(3) tax-exempt status, the following powers and limitations must also be included:

1. The Corporation, being irrevocably organized exclusively for religious purposes, may make distributions to organizations and individuals in furtherance of its exempt purposes and in accordance with Section 501(c)(3) of the Code.
2. No part of the net earnings 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 above.
3. 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.
4. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

5. Upon 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 of the assets of the Corporation, exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for religious or charitable purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law 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, which are organized and operated exclusively for exempt purposes.

INCORPORATOR

One or more incorporators may organize a corporation. An incorporator could be one of the directors, an officer, or the attorney or accountant filing the Articles. The incorporator is responsible for signing the Articles and calls the first meeting of the Board. The incorporator does not continue to have any authority over the corporation once the initial Board meets.

The incorporator(s) of the corporation is (are) as follows:

[Name of incorporator(s) with addresses]

Name	Mailing Address