

Corporate Formalities for Nonprofit Corporations

The Legal Center for Nonprofits recommends that nonprofit corporations perform the following activities to maintain their corporate existence, avoid possible revocation of the corporate status, and comply with various state and federal requirements.

Corporate Formalities

- ❑ Establish a corporate binder to keep all corporate documents in it, including, but not limited to:
 - Articles of Organization
 - Bylaws
 - Consents in lieu of Initial or other Meetings
 - Meeting Minutes for all Board of Directors meetings
- ❑ Other documents related to the corporation, such as EIN, Certificate of Solicitation, IRS Form 1023, etc. Become familiar with the nonprofit's corporate record on the webpage of the Secretary of the Commonwealth.
- ❑ Use the full corporate name (including "Inc.") as it appears in the filed Articles of Organization.
 - The full corporate name should appear on all formal business communications, such as letters, invoices, receipts, all advertising, signage, directory listings, etc., and when answering the telephone.
- ❑ Include the corporate name above your signature, with your name and title beneath your signature when signing documents on behalf of the corporation. Never sign with just your personal name.
- ❑ Establish accounting records and bank accounts in the full corporate name.
- ❑ Never use the corporate account for personal expenses. Never deposit personal funds into the account.
 - If a legitimate business purpose exists for personal funds entering the business account, the transfer of the funds into the business account should be properly documented.
- ❑ If equipment or other assets personally owned by a director, officer, or staff member will be used by the corporation:
 - The arrangement should be documented; this can be done by executing a bill of sale transferring ownership to the corporation; if no transfer of ownership is intended, a lease or loan document can be drafted.
- ❑ Director and member (if applicable) meetings should be held on time as specified in the Bylaws, and accurate minutes should be maintained and recorded in the corporate record book.
- ❑ **File Annual Reports** with the Corporations Division of the Secretary of the Commonwealth's office by **November 1 each year.**
 - Go to: <http://www.sec.state.ma.us/cor/coridx.htm>; then click "Corporations" under "Filings by Subject"; then one of the Non-Profit links.
 - Failure to file Annual Reports for two consecutive years may result in revocation of corporate status.