

FUNDAMENTAL STEPS TOWARD INCORPORATING A NOT-FOR-PROFIT CORPORATION IN NEW YORK STATE

First

Begin with a broad charitable purpose that motivates yourself or your group of concerned citizens, this could be anything from the prevention of poverty to assistance of Refugees.

Second

Recruit members of the Community-at-large who support the broad charitable purpose guiding yourself or your group in order to develop a body of individuals with diverse qualities and resources to aid in the satisfaction of the broad charitable purpose.

Third

Draft a Mission Statement that further refines your broad charitable purpose while providing your founding body of individuals with some realistic and concrete objectives toward which the body may direct its collective energies. This Mission Statement is the first step toward the implementation of an organization to achieve the goals of the founding body.

Fourth

Survey potential funding sources, including local, State and Federal government sources, Private foundations and other grant providers, to determine the availability of funds to conduct the Mission Statement of the nascent organization.

Fifth

Obtain some "startup finances" which will serve to enable your nascent organization to obtain some professional services.

Sixth

Solicit a list of interested individuals from within your founding body who are interested in becoming the initial Board of Directors of the new Not-for Profit Corporation. The minimum number is three (3) individuals and their names, addresses and telephone numbers would need to be collected.

Seventh

Seek legal assistance to incorporate the founding body into a Not-for-Profit Corporation. The legal assistance will likely include the following:

- Selection and Reservation of a Corporate Name (optional)

A ranked list of names should be created in order of preference. Each entry must include the word "corporation", "incorporated" or "limited", unless it is being organized for a religious purpose or requires the approval of the Commissioner of Social Services or the Public Health Council, such as daycare centers and clinics. The name CANNOT be:

similar, meaning it must be differentiated by words not mere numbers or letters, to any existing corporate entity without the permission of said entity,

or imply that the corporation is a government entity,

or be indecent or obscene,

or contain a form of the word designating any licensed professional in New York State,

or contain the word "museum" or "school".

- Draft a Certificate of Incorporation

- Obtaining Approval of the Corporation

Type B Corporations, are those nonprofit's dedicated to charitable, educational, religious, scientific, literary or cultural purposes or the prevention of cruelty to animals or children. They are the majority of

nonprofit's. As of 1993, these corporations no longer need the approval of either the Attorney General or a Justice of the Supreme Court to incorporate.

- File the Certificate of Incorporation with the Division of Corporations and State Records of the New York State Department of State. The filing fee is seventy-five and no/100 dollars (\$75.00) plus ten and no/100 dollars (\$10.00) for a Certified Copy of the Certificate, which should be requested to ensure that the process is progressing. A speedier filing can be guaranteed if the Bureau's special handling service is paid for, the fee is an additional twenty-five and no/dollars (\$25.00). After the filing has been accepted by the receipt of a Proof of filing Receipt, six weeks if handled regularly or seven to ten days if the special handling procedures are in effect, the incorporation of the nonprofit corporation becomes effective. The Certificate is conclusive, presumptive evidence that the conditions incident to the formation of a nonprofit corporation have been properly fulfilled. The Secretary of State will send a copy of the Certificate of Incorporation to the County Clerk of the county in which the corporate offices are located. This Certificate will be Filed and Indexed in the County Clerk's Filing System, this notifies anyone that the nonprofit is in existence.

Eighth

Draft an initial set of Corporate By-laws, which will serve as the procedure that the Board of Directors, and possibly the Members of the Corporation, utilize to make decisions on behalf of the Corporation.

Ninth

Hold the Organizational Meeting

The Incorporator must hold the Organizational Meeting to formally create the nonprofit corporation. At this meeting the by-laws should be adopted, the Directors should be elected, and all other relevant business should be conducted.

The following action should be taken at the Organizational Meeting by Board of Director Resolution:

- Adopt a form for the minutes of the Board meeting,
- Adopt By-laws,
- Elect Directors and Officers,
- Authorize the application of Federal IRS tax exempt status,
- Authorize the application for New York State Sales Tax,
- Authorize the application to United States Postal Service for Third Class Bulk Mailing Rates,
- Authorize a corporate bank account,
- Authorize the payment of organizing expenses and filing fees,
- Authorize the establishment of a ledger and appropriate corporate records,
- Adopt a fiscal year for the corporation and,
- Designate Chairpersons and members of committees.