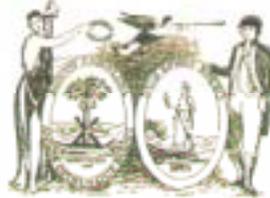


State of South Carolina
Office of the Secretary of State
The Honorable Jim Miles

1205 PENDLETON STREET, SUITE 521
COLUMBIA, SC 29201

Information
(803) 734-2170

Business Filings
(803) 734-2158



P.O. BOX 11350
COLUMBIA, SC 29211

Boards/Commissions
(803) 734-2119

Notaries
(803) 734-2512



September 30, 1999

Dear Nonprofit Leader,

One of my top priorities when I became Secretary of State back in 1990 was to help make the incorporation of nonprofit organizations less burdensome. Since then, changes have been made so that this incorporation process is less complex and less time consuming. This manual provides sample forms, instructions, guidelines, and advice on incorporating as a nonprofit entity in South Carolina. It also provides helpful assistance regarding tax and operating requirements for a nonprofit organization. I believe that this manual will be instrumental in aiding you in the formation and operation of your nonprofit organization.

Nonprofit corporations are an essential sector of our state's community and economy. Without these businesses, many charitable organizations could not exist. Inasmuch, they represent the proud tradition of generosity and sharing that make South Carolina such a wonderful place to be.

Best wishes to you as you begin the rewarding process of organizing your business. In closing, I would like to thank Glenice Pearson in cooperation with United Way of the Midlands for her hard work and continued dedication to this project.

With kind regards, I am

Sincerely,

A handwritten signature in cursive script that reads "Jim Miles".

Jim Miles
Secretary of State

Charities
(803) 734-0180

Trademarks
(803) 734-2511

Employment Agencies
(803) 734-1954

Fax
(803) 734-2164

Dispute Resolvers
(803) 734-2345

Investigation
(803) 734-1797

ACKNOWLEDGEMENTS

Work on this manual has been a labor of love for many people who believe strongly in the value of voluntary organizations as an intricate part of the fabric of life in South Carolina. The manual is itself a product of a tremendous voluntary, collaborative effort by a diverse group of citizens and this section provides an opportunity to recognize their contributions, although it will fall short of truly expressing the gratitude which they so richly deserve.

THE HONORABLE JIM MILES, Secretary Of State of South Carolina whose approval of the manual permits its placement in public libraries throughout the state to ensure accessibility to all of our citizens is a choice that demonstrates his personal support of the nonprofit sector. Additionally, he released time of key staff persons to review the manual for accuracy relative to policies and procedures of his office. Staff members of the Secretary of State's Office whose assistance throughout the process of getting the manual ready are: ***SUSAN MOODY, former General Counsel; A. O'NEIL RASHLEY, General Counsel; CAROLYN HATCHER, Director, Public Charities; and JULIA REESE, Director, Corporate Division.***

THE HONORABLE KAY PATTERSON, Senator, Richland County, eased our access to information that would have taken far more time to accumulate without his help. He willingly opens doors whenever the best interests of South Carolinians are being served.

GARY SMITH, President Of The United Way Of The Midlands demonstrated his concern for the effectiveness of nonprofit organizations throughout the state by providing resources that were not available at the time the first manual was developed. Moreover, his designation of ***DON SIMMONS, Vice President Of Agency Relations*** for the United Way of the Midlands ensured that coordination with this agency was handled at the highest level of professional commitment.

Every effort was made to gain insight from every segment of our society that has a direct interest in nonprofit organizations and in the quality of information disseminated to the public. An outstanding and diverse group of individuals from the public and private sector scrutinized the manual with a critical eye and include: ***KAREN D. MCMULLEN, Reference Librarian, South Carolina State Library; CHARLETTA P. FELDER, Information Services Librarian, Richland County Public Library; DR. PAM IMM, Community Psychologist, Department Of Psychology, University Of South Carolina; S. LATJUAN DOGON, Graduate Assistant For Development And Ph.D. Candidate in the College Of Education, University Of South Carolina; RICHARD HENDRY, Program Director and JENNIE STEPHENS, Program***

Officer of The Community Foundation Serving Coastal South Carolina; F. XAVIER STARKES, Attorney, Johnson, Toal & Battiste,

ACKNOWLEDGEMENTS

P.A.; JERRY D. GAMBRELL, CPA, Charleston, South Carolina; DEBORAH JAMISON, President, Technites Support Services, Columbia South Carolina. Their review of the manual's content adds value to the quality of this publication in ways that are immeasurable.

Graphics and layout challenges presented by the manual were tackled from the outset by a mother and son team consisting of *NEPHRE GOLDEN-GLENN, President of Web Weaver Graphics & Publishing* and *PHILIP WILLIAMS, a Lander University Computer Science* major. The exceptional skills of these individuals, coupled with their perseverance in working through many format changes, were critical to the manual's production as these abilities are completely lacking in the repertoire of this writer.

Leaders of all of the nonprofit organizations who've given me an opportunity to work with them over the 35 plus years that I've been associated with "The Third Sector" have generously provided me with the laboratories in which so much of my knowledge about nonprofit organizations has been gained. They all deserve and are given my highest regard and deepest appreciation for entrusting me with a chance to participate in their designs to improve the lives of others.

Finally, any project of this magnitude benefits by persons who have served as the inspiration when life "acts up". Over a lifetime many people have given me memorable examples of love and support that have no doubt in large and small ways encouraged my need to "give back" to others. In the last five years three of these individuals have been especially important in this deep well of "goodness" and "goodwill" from which my life has been continuously replenished.

DR. THOMAS GORDON, whose life-long friendship is about as near to perfection as we humans are capable, proves itself time and time again, *REV. CHARLES B. JACKSON, SR.* whose humble and inspired leadership keeps me clearly focused on what is really important and my daughter *CHARLICE G. HURST, a Harvard University Graduate*, who had the final say on the quality of this manual because of her keen mind and sharp eye for the written word. But most important, from the beginning of her life she has led me toward a deeper capacity in the arts of compassion and unconditional love.

The people whose names are listed here, those who elected not to be listed, and those whose input into this project may not have been quite so direct have my deepest gratitude for their generous efforts to make this project worthwhile as a source of information for our fellow citizens. No error can be attributed in any way to any of them. Mistakes are mine alone.

Glenice B. Pearson -PRESIDENT
The NonProfit Network Incorporated

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Section 1

1.1 BACKGROUND

In 1994, when the South Carolina General Assembly amended Chapter 31, Title 33 of the 1976 Code to read as “Chapter 31 South Carolina Nonprofit Corporation Act”, called by its short title, “South Carolina Nonprofit Corporation Act of 1994”, Secretary of State, Jim Miles approved a manual to help public charities get started. At the same time, a new Chapter (56) of Title 33 was added to the state code of laws to govern fund raising activities of charitable organizations in South Carolina. This chapter, entitled “South Carolina Solicitation of Charitable Funds Act”, together with Chapter 31, provide the legal context in which nonprofit corporations operate in South Carolina.

The earlier publication for public charities in the state of South Carolina was specifically designed to assist citizens who were establishing a charitable nonprofit to incorporate and apply for tax-exemption under section 501(c)(3) of the Internal Revenue Service code. The manual was entitled “*A Start Up Manual for Incorporation and Tax-Exemption for Nonprofit Organizations in South Carolina*”. Its endorsement by the Secretary of State made it accessible to the citizens of South Carolina through the library system. In the intervening years, numerous indicators pointed to the need to update the manual. Hundreds of citizens of South Carolina have used the first manual for a reference, and because no restrictions were placed on photocopying the document, it has been used in training programs on Incorporation and Tax-Exemption.

This publication, albeit developed out of the interest generated by the earlier manual, is not a revision of the first. It has, therefore, been renamed to reflect a wider range of concerns relative to charitable organizations. The need to ensure that information provided is contemporaneous with the status of the nonprofit sector in South Carolina was the fundamental guide for development of the 1999 manual. This “new” manual takes into account monumental changes which have occurred in the nonprofit or “Third” sector in South Carolina since 1994. Significant among these changes is the growth of the sector. In 1994, 1,350 nonprofit charitable organizations were incorporated in the state. As of July 1999, that number was 9,041. In the five-year time span, several major foundations, largely as a result of hospital mergers, have come into existence in several regions of the state. South Carolina has attracted larger corporate interests during these years, and the increased economic vitality impacts the “Third” sector in several important ways. Corporate and corporate foundation contributions, availability of managerial and executive employees for voluntary board service and larger pools of educated volunteers to help with charitable work are among the possible effects of economic growth. These changes and the forces unleashed by their synergy have contributed to the development of nonprofit associations or member organizations to support nonprofit organizations. These new groups are providing training, technical assistance and a common place for organizations with similar interests to learn and benefit from shared experiences.

Perhaps most revealing is the increase in the number of registered professionals who are earning a living in total, or in part, by serving organizations in the nonprofit sector of our state.

As of September 1999 there were 81 registered professional fundraising solicitor companies, 958 individual professional fundraising solicitors (charitable tele-marketers) and 107 professional fundraising counsel companies, and/or individuals, registered with the Charities Division of the Secretary of State's Office.

WHO ARE NONPROFIT ORGANIZATION LEADERS?

Our reference to "leaders" of nonprofit organizations throughout this guidebook refers to those individuals who voluntarily take upon themselves the legal, ethical, fiduciary and other responsibilities of building organizations that can be of service to others. Quite a lot has been written about boards of nonprofit organizations. A great deal of the information available offers descriptive and some times prescriptive criteria for a good or "quality" board.

Usually these standards recommend inclusion of people on the board who are involved in various segments of society and who operate at rather high levels in societal institutions across the range of major institutions including business, education, health, etc. These "idealized" boards may not be possible for every type of nonprofit organization in every type of situation in which a nonprofit organization is needed.

Community-based organizations in which citizens of a given geographic community organize to meet the critical needs of the people in their area may be one example of important nonprofit organizations for which "ideal" board types are not so important.

Seek people who:

1. Can commit time to service on the board.
2. Are reputable citizens.
3. Are team players.
4. Are willing to engage in continuous learning.
5. Commit their own funds to the organization's support.

1.2 WHO CAN BENEFIT FROM THE USE OF THIS MANUAL

This manual is designed to assist people involved with nonprofit organizations at varying stages in their development. These nonprofit leaders are usually the individuals who come together to start a new organization, or are among the thousands who annually function on the governing boards of the myriad organizations that constitute this sector in our state including institutions of education, United Way organizations, community foundations, and other organizations categorized as public charities. The manual does not specify various exceptions in the state law that apply to "religious" corporations, nor does it address the special requirements for "members" in "mutual benefit" organizations, or the regulations that pertain to private foundations. Individuals interested in finding out more about these exceptions should consult with competent professionals.

1.3 STARTING THE NONPROFIT ORGANIZATION

In **Section 2**, we cover some of the steps you may want to consider taking before incorporating a nonprofit in the state of South Carolina. Information on the Secretary of State's Office pertinent to incorporation, the incorporation process and the relationship of incorporation to federal tax-exemption is shown. We have included in this section, as well, information on state exemptions for nonprofit organizations that must be obtained through the South Carolina Department of Revenue. Additionally, a summary of the role of the Attorney General in the life of the nonprofit organization is presented.

Textboxes are used throughout the manual to convey ideas and recommendations that may be especially helpful to new or existing community-based non-profit organizations. Often these organizations operate with limited resources and conduct their affairs almost exclusively through volunteers. The "textbox" recommendations have been added to reduce the potential for errors that may prove costly to your organization. Some of them reflect expert opinion on "best practices" that may enable you to build and sustain a more effective organization.

In **Section 3**, we attempt to summarize various legal obligations of the nonprofit organization after you have completed incorporation and tax-exemption procedures. Nonprofit organizations continue to have compliance requirements by state agencies and the Internal Revenue Service throughout their existence and at major transitional points, including dissolution.

Section 4 contains information related to common errors that nonprofit organizations make in important areas. You may also find that the assistance of an attorney is appropriate, although attorneys are not required to establish a nonprofit corporation in South Carolina -- in contrast to this requirement for profit-making corporations. Other professionals that may be able to assist you are those who specialize in organizational development for nonprofit organizations. If they are practicing in South Carolina they are required to be registered either as "Fund Raising Counsel" or "Fund Raising Solicitors".

Since 1994 a vast array of resources to support nonprofit organizations have come into existence for nonprofit organizations. Included are associations of nonprofit organizations, Internet websites, library resources, and paid consultants. **Section 5, Appendix C** provides pertinent information in each of these categories. In no way is the material exhaustive on any topic but it should be a good beginning for anyone seeking help in these critical areas.

Finally, you can refer to **Section 5, Appendix D**, for a listing of various forms that will be necessary for your nonprofit organization to use for different purposes that may evolve in the course of its existence. Questions about the completion of these documents should be directed to the issuing agency or resources in **Section 5, Appendix B**, including library resources and to **Section 5, Appendix A**, for Internet sites related to nonprofit organizational management and ones that can be utilized to support research and grant seeking you may also consult with other nonprofit organizations or the Secretary of State for help to identify professionals who can provide competent help.

Section 2

THE OFFICE OF THE SECRETARY OF STATE

JIM MILES
SECRETARY OF STATE
PUBLIC CHARITIES DIVISION
P.O. Box 11350
Columbia, South Carolina 29211
803-734-1790

OR

EDGAR BROWN BUILDING, SUITE 525
Box 11350
Columbia, South Carolina 29211
803-734-2170

2.1 THE SECRETARY OF STATE AND NONPROFIT CORPORATIONS

The Secretary of State handles all incorporations of organizations in South Carolina. This office maintains the records of these corporations and establishes procedures by which citizens may access information on these corporate entities. In addition to the initial filings to establish a corporation, the office of the Secretary of State is also the state government office where other transactions by corporations, including nonprofit corporations, are handled.

POINTS NONPROFIT LEADERS MAY WANT TO CONSIDER BEFORE ESTABLISHING A NEW NONPROFIT ORGANIZATION

1. Clarify the problem, need, condition etc. that has prompted your decision to create a new organization.
2. Determine whether or not several other like-minded citizens in your community will be able to commit time and resources to the work of getting a new organization off the ground.
3. See if your concerns can be addressed by an existing organization in your community.
4. Contact organizations in the community that may have programs/interests compatible with yours. See if your program can be developed within their mission and goals. If the organization is operating a program similar to your idea, explore the possibility of having the program extended to a particular population or geographic area that you want to ensure is served by the activity. You can obtain information about nonprofit corporations from the Secretary of State. If you are not familiar with nonprofit organizations in your area, you can obtain the names and addresses of non profit corporations from the Secretary of State.
5. If you cannot find an organization that will be able to meet the need about which your group is concerned and you decide to proceed with establishing your own organization, you should:
 - ◆ Secure filing fees for incorporation (\$25.00), and tax-exemption (\$150.00 or \$500.00).
 - ◆ Name the corporation
 - ◆ Develop by-laws for the organization. (See Appendix A, for Internet sites that may be helpful in developing bylaws.)

GROWTH OF THE NONPROFIT SECTOR AND FUNDRAISING

The nonprofit sector in South Carolina is growing rapidly. This expansion has serious implications for the critical fund raising function. Funds from various sources must be raised to support the mission and goals of these organizations. New organizations should prepare to face many challenges in building its fund raising processes to the level that can fully support the organization.

2.2 STARTING A NONPROFIT ORGANIZATION IN SOUTH CAROLINA

AT THE TIME OF INCORPORATION YOU WILL NEED TO:

Obtain a copy of the form entitled "State of South Carolina Secretary of State Nonprofit Corporation Articles of Incorporation" (33-31-202)(see the opposite page for a sample of the front of this form).

The form to incorporate a nonprofit corporation is available at no charge from the Secretary of State.

You may obtain a copy by requesting it by phone,
(803) 734-2158,

or by writing to:

Secretary of State

P.O. Box 11350, Columbia, SC 29211,

or by picking up a copy from

The Secretary of State,

Brown Building, State House Complex,

Senate Street, Columbia, S.C., 5th floor.

2.3 COMPLETING THE INCORPORATION FORM

(A sample of the correct incorporation form is located in Appendix D. The form as it appears on pages 7 & 9 of this manual are designed so that corresponding comments may improve the accuracy of your incorporation document.)

1. **The name given your nonprofit corporation cannot duplicate the name of an existing corporation. You may check with the Secretary of State before filing the completed form to see if this name can be used. If you are not planning to file your incorporation application immediately after clearing the name, you may reserve the name for future use through the Secretary of State.**
- \$25.00 FILING FEE FOR INCORPORATION**

South Carolina has simplified the process of incorporating a nonprofit organization and set the filing fee at a level that is within reach of any citizen of the state. The processes' simplicity and low cost sends a positive message of support to the all-important spirit of voluntarism which fuels the development of nonprofit organizations. Additionally, you can establish a nonprofit organization in South Carolina without having to engage the services of an attorney.
2. **The initial registered address is the corporation's legal address at which legal notice can be served. This address must be a physical location (street address or rural route number and not a PO Box). The registered agent is a person who can legally receive mail at the registered office address. Changes in either the registered agent or registered address must always be filed with the Secretary of State.**
 3. **Usually organizations that plan to seek exemption from the IRS will be designated as "public benefit" corporations (a) under South Carolina law. However, incorporations for churches and religious organizations are common and these organizations often seek to have their 501(c)(3) status certified by a letter from the IRS.**
 4. **If "a" in #3 is checked, the corporation will not have members as prescribed by state law and the control of board succession is handled by the "self-perpetuating" board in accordance with the organization's Bylaws, and applicable sections of Chapter 33. If "b" in # 3 is checked, the members of the corporation are granted specific authority over the leadership of the corporation unless the corporation is a church or religious organization whose governing document exempts the corporation from regulations pertaining to "members".**
 5. **The principal office address may be a PO Box. This address can also be the same as the registered agent address.**
 6. **Public benefit and religious corporations must select one of these options. 6 "a" contains part of the language that is required in the Articles of Incorporation by organizations applying for 501(c)(3) status under the Internal Revenue Code. If "b" is checked and the name of an organization is designated as the recipient of assets in the event of dissolution, this recipient organization will only be able to receive the assets if, at the time of dissolution, it fulfills the legal criteria of an "eligible" organization as defined by the Internal Revenue Code.**
 7. **Checked only if the corporation is a "mutual benefit" corporation**

2.4

**SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION**

TYPE OR PRINT CLEARLY IN BLACK INK

1. The name of the nonprofit corporation is _____

2. The initial registered office of the nonprofit corporation _____
STREET ADDRESS

CITY	COUNTY	STATE	ZIP CODE
------	--------	-------	----------

The name of the registered agent of the nonprofit corporation is: _____
PRINT NAME

I hereby consent to the appointment as registered agent of the corporation

 AGENT'S SIGNATURE

3. Check "a", "b", or "c" whichever is applicable. Check only one box:

- a. The nonprofit corporation is a public benefit corporation.
- b. The nonprofit corporation is a religious corporation.
- c. The nonprofit corporation is a mutual benefit corporation.

4. Check "a", or "b" whichever is applicable.

- a. This corporation will have members
- b. This corporation will not have members.

5. The principal address of the nonprofit corporation is

STREET ADDRESS	CITY	COUNTY	STATE	ZIP CODE
----------------	------	--------	-------	----------

6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

- a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code, it shall be distributed to the Federal Government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas 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 such purposes
- b. Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to:

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe

- a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving
- b. Upon dissolution of the mutual benefit of the corporation, the (remaining) assets, consistent with the law, shall be distributed to _____

2.5 THE OPPOSITE PAGE IS A SAMPLE OF SIDE TWO OF THE ARTICLES OF INCORPORATION FORM.

8. Optional provisions to the Articles of Incorporation may be inserted here. If the space is not sufficient and you have not generated a computerized copy of the form, use this space to refer to attachments to the articles. Examples of optional provisions might be:
 - a. Limiting the term of existence of the corporation. If this is not included in the Articles, the Term of Existence of the organization is “perpetual”.
 - b. Adding the full text of the language the IRS requires in the Articles of Incorporation of nonprofit organizations that apply for 501(c)(3) exempt status as an attachment.
9. Names and addresses of each incorporator. For additional names attach a supplement or expand the space of a computer generated copy of the form.
10. If any of the incorporators are going to serve as members on the initial governing board (Trustees, Directors, etc.), they may sign in number 10 of the incorporation form. Their failure to sign here does not prohibit their serving on the initial Board of Directors. If they do sign, then the organizing meeting of the Board of Directors will be handled by board members listed here. If no signatures are in this space, then the organizing meeting of the corporation will be handled by the Incorporators who will, in addition to other business, appoint the initial Board of Directors.
11. All incorporators must sign in number 11 of this form. If more than three persons are serving as incorporators, an attachment with the corresponding number or additional spaces on a computerized form will suffice.

2.6 FILING THE APPLICATION FOR INCORPORATION

Submit your application for incorporation in duplicate to the Secretary of State so that a certified copy of the document is issued at that time. You will need this copy for your application to the IRS for federal tax exemption.

If a new nonprofit corporation is to have members, then the rights of these members are covered under the incorporation law. Moreover, the Internal Revenue Service will require a specific plan for members that includes their rights, obligations, benefits, etc.

The current filing fee for Incorporation in South Carolina is \$25.00.

A check or money order for \$25.00 payable to the Secretary of State and a duplicate copy of the completed form must be filed by mail or in person with the Secretary of State.

If an error in the Incorporation document is found within 90 days and is a minor error such as a misspelling, then “Articles of Correction” may be filed. After 90 days, or for more significant changes, an “Article of Amendment” is required. Sample forms are in Appendix D.

**THE NONPROFIT
CORPORATION'S
PURPOSE STATEMENT**

No where on the South Carolina Incorporation form will you find space for the purpose statement of the organization you are establishing. However, a purpose statement, consistent with Internal Revenue Service requirements must be included in the Articles of Incorporation of your organization. Consequently, it is recommended that you use number 8 on the South Carolina Incorporation form to reference an Attachment that will contain the language required by the IRS. Refer to IRS Publication 557 for information about the language that you must use in your organization’s purpose statement.

2.7

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202© of the 1976 South Carolina code of laws, as amended, the applicable comments thereto, and the instructions to this form)

9. The name and address of each incorporator is as follows (only one is required)

NAME	ADDRESS	ZIP CODE
NAME	ADDRESS	ZIP CODE
NAME	ADDRESS	ZIP CODE

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

NAME(OBJECT IF FOUND IN ARTICLES)	SIGNATURE OF DIRECTOR
NAME(OBJECT IF FOUND IN ARTICLES)	SIGNATURE OF DIRECTOR
NAME(OBJECT IF FOUND IN ARTICLES)	SIGNATURE OF DIRECTOR

11. Each incorporator must sign the articles.

SIGNATURE OF INCORPORATOR
SIGNATURE OF INCORPORATOR
SIGNATURE OF INCORPORATOR

FILING INSTRUCTIONS

- Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed
- If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk, which will allow for expansion of space on the form.
- This form must be accompanied by the filing fee of \$25.00 payable to the "Secretary of State"

Return to: Secretary of State
 P.O. Box 11350
 Columbia, SC 29211

4. If this organization is a Homeowners Association or a Political Association it must also be accompanied by the First Annual Report of Corporations and an additional \$25.00 fee is required.

SPECIAL NOTE

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME ON OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATES OFFICE AT (803) 734-2511.

2.8 OTHER ACTIONS OF CORPORATIONS THAT MUST BE HANDLED THROUGH THE SECRETARY OF STATE ARE:

- ◆ **APPLICATION FOR A CERTIFICATE OF EXISTENCE**
- ◆ **APPLICATION FOR USE OF INDISTINGUISHABLE NAME**
- ◆ **NOTICE OF TRANSFER OF RESERVED NAME**
- ◆ **APPLICATION FOR RENEWAL OF REGISTERED NAME**
- ◆ **REGISTERED NAME OF A FOREIGN CORPORATION**
- ◆ **NOTICE OF NAME CHANGE**
- ◆ **CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH**
- ◆ **AGENT'S STATEMENT OF CHANGE OF REGISTERED OFFICE FOR EACH AFFECTED CORPORATION**
- ◆ **AGENT'S STATEMENT OF RESIGNATION**
- ◆ **NOTICE OF CHANGE OF PRINCIPAL OFFICE**
- ◆ **ARTICLES OF AMENDMENT**
- ◆ **ARTICLES OF MERGER**
- ◆ **ARTICLES OF DISSOLUTION**
- ◆ **ARTICLES OF REVOCATION OF DISSOLUTION**
- ◆ **APPLICATION FOR REINSTATEMENT**
- ◆ **APPLICATION FOR CERTIFICATE OF AUTHORITY (FOREIGN CORPORATION'S APPLICATION TO TRANSACT**
- ◆ **APPLICATION FOR AMENDED CERTIFICATE OF AUTHORITY**
- ◆ **CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION**
- ◆ **APPLICATION FOR CERTIFICATE OF WITHDRAWAL**
- ◆ **NOTIFICATION BY EXISTING CORPORATION**

FORMS FOR THESE TRANSACTIONS WITH THE SECRETARY OF STATE MAY BE OBTAINED FROM THAT OFFICE.

CERTIFIED COPIES OF INCORPORATION DOCUMENTS

Certified copies of any forms filed with the Secretary of State, including the corporation's Articles of Incorporation, may be obtained by submitting a request in writing or in person to the Secretary of State and paying the required fees for the document. A complete set of the Articles of Incorporation will include subsequent Articles of Correction and Articles of Amendment along with the original completed incorporation forms.

2.9 WHAT TO EXPECT AFTER FILING FOR INCORPORATION

1. Incorporation is established immediately after your completed forms have been certified by the Secretary of State.
2. If you have submitted your forms in duplicate at the time of filing, you will receive a certified copy of each page of the articles.
3. You will also receive a gold-embossed Certificate of Incorporation for your new corporation suitable for framing.
4. Within a few days after incorporating, you will also receive a letter from the State of South Carolina, Department of Revenue, requesting that you submit your federal employer identification number ("EIN") to the department with a copy of the letter requesting this number. As soon as you have obtained this EIN number, it should be forwarded with a copy of the letter from the Department of Revenue to the address provided in the letter. Additional information about the relationship of nonprofit organizations to the S.C. Department of Revenue is provided in Section II.

2.10 THE INITIAL MEETING OF YOUR NEWLY ESTABLISHED CORPORATION

Minutes of all meetings of nonprofit corporations must be recorded and maintained by the organization at its principal place of business. In the corporation's first meeting the following actions, at minimum, should be taken:

- A majority of the incorporators are required to meet to complete organization of the corporation if directors are not named in the Articles of Incorporation.
- Either the incorporators or the directors will, at minimum, elect officers, adopt bylaws and carry on other business brought before the meeting. Other business might include authorizing signatory authority for bank accounts, establishing a telephone connection for the corporation, authorizing letterhead, approving application for federal tax-exempt status, obtaining an employer identification number, post office boxes and completing other matters that provide the organization with a corporate "presence."
- In the absence of an initial meeting, the incorporators will prepare a statement of actions taken that is signed by each incorporator.

2.11 CONNECTIONS BETWEEN INCORPORATION AT THE STATE LEVEL AND FEDERAL TAX-EXEMPTION

1. A certified copy of your organization's Articles of Incorporation from the Secretary of State with the attachment that contains the Internal Revenue Service's required wording is submitted as part of the application for exemption on the Internal Revenue Service Application for Recognition of Exemption Form -1023

2. Refer to Publication 557 entitled “Tax -Exempt Status for Your Organization” for the correct wording of the statement that must be included in your Articles of Incorporation.
3. Names and home addresses of the initial governing board members will be required for the application for tax-exemption. (Additional information you will need to have in order to file for tax exemption is continued as points 5-10 under section 2.12)

2.12 APPLICATION FOR TAX-EXEMPTION Section 501(c)(3) Organizations

Enables domestic organizations designated as 501(c)(3), to receive contributions that are deductible on the donor’s federal income tax return. For exceptions to this general rule, refer to Publication 557. The following points 4 -10 are requirements for your application for exemption. This information is not directly connected to the state incorporation process.

You will need to have:

4. Articles of Incorporation for your Organization and a certified copy of your application for tax exemption.
5. Employee Identification Number (EIN) for the organization. You may obtain this number before filing the application for exemption, or you may submit it with your application. In either case, the application for the EIN is filed on Form SS-4. All Internal Revenue forms, including the SS-4 may be obtained from any IRS office that maintains an inventory of tax forms, by mail, or by downloading from the Internal Revenue Service’s Website. Each of these methods of contact with the Internal Revenue Service can be found in the Appendices.
6. Forms 1023 & 8718 and either a \$150 filing fee or a \$500 filing fee.
7. A three-year detailed plan of your organization’s activities.
8. Three years of financial records for your organization if you are an existing organization or a two year projected budget if you are a newly established organization.
9. Organizing documents if you are an Unincorporated Association
10. Bylaws

THE NONPROFIT ORGANIZATIONS FIRST BOARD OF DIRECTORS

The State of South Carolina’s Nonprofit Incorporation Law requires that a nonprofit corporation have a minimum of two governing board members and three officers. These offices are President, Secretary and Treasurer. One person may hold two of these three offices, so you can have a President/Treasurer, Secretary/Treasurer, President / Secretary. Given the fact that “public benefit” corporations cannot be owned privately and must not convey a semblance of private inurement of its governing board members, we recommend that this first board, at minimum, be comprised of five to seven individuals. If there are members who are related, they should not constitute the majority of the Board of Directors

IRS PUBLICATION 557

Internal Revenue Service Publication 557 provides detailed instructions for completion of the application for exemption. This publication should be read by anyone who prepares the tax-exempt application (Form 1023).

2.13 WHAT TO EXPECT AFTER FILING FOR TAX-EXEMPTION

1. A notice from the Internal Revenue Service advising you of the department’s receipt of your application.
2. Notice of the EIN assigned to your organization if the SS-4 was submitted with the application. **The EIN number is not recognition of tax exempt status for your organization.**

2.14 WHAT MAY HAPPEN AFTER THE IRS’ REVIEW OF YOUR APPLICATION

1. A copy of the Letter of Determination may be mailed to you by the IRS. If you are a newly established organization your letter will be an “Advanced Ruling” of exempt status. The letter should be guarded carefully. It is your organization’s legal proof that you are qualified by the IRS to receive funds without having to pay federal income tax, and it will allow foundations, corporations, and individuals to make monetary donations to your organization and receive a tax deduction for their contribution.

2. The IRS contact person assigned to review your application may send a letter requesting additional information or clarification with regard to information you provided on the 1023 or in attachments to this document. Your Letter of Determination will not be issued until you have satisfactorily responded to all inquiries from the Internal Revenue Service about your application.

**THE MEANING OF TAX-EXEMPTION FOR
NONPROFIT ORGANIZATIONS**

Tax exempt status under section 501(c)(3) is the most critical step for the nonprofit corporation that plans to mount major programs to address societal needs and problems. It is the criteria that is common to most donors with regard to their expectations of your organization. Tax exemption opens the door for organizations to secure the “life-blood” of these organizations – [or]: donations in the form of grants and individual gifts without which these organizations cannot survive.

BENEFITS OF TAX-EXEMPT STATUS AS A 501(C)3

1. Allows your organization to receive funds from foundations, corporations, businesses and individuals to support your mission and goals without having to pay federal income tax on those funds.
2. Allows your donors to take a tax deduction for their gift to your organization.
3. Allows you to seek other types of certifications that may be appropriate to the mission of your organization.

2.14 SOUTH CAROLINA FUND RAISING REGULATIONS FOR NONPROFIT CORPORATIONS

Fund raising activities of nonprofit organizations in South Carolina are governed by Chapter 33-56-20, Solicitation of Charitable Funds. *Forms associated with required filings of nonprofit organizations, solicitors and fundraising counsel are in Appendix D.*

IMPORTANT DEFINITIONS PROVIDED IN THIS SECTION OF THE STATE LAW ARE:

Charitable Organization - an individual, organization, trust, foundation, group, association, partnership, corporation, society, or any combination of them.

Contribution - the promise, grant, or pledge of any money, credit, assistance, or property of any kind or value. It does not include bona fide fees, dues, or assessments paid by members of an organization, provided that membership is not conferred solely as consideration for making a contribution in response to a solicitation, and that membership does not bestow only a right to vote.

Professional fund-raising counsel - a person who for compensation plans, conducts, manages, prepares materials for, advises, or acts as a consultant, whether directly or indirectly, in connection with soliciting contributions for or on behalf of a charitable organization but who does not actually solicit contributions as a part of these services.

Professional solicitor - a person who, for monetary consideration, solicits contributions for or on behalf of a charitable organization, whether the solicitation is performed personally or through its agents, servants, or employees specially employed by or for a charitable organization, who are engaged in the solicitation of contributions under the direction of such person. “Professional solicitor” also means a person who plans, conducts, manages, carries on, advises, or acts as a consultant to a charitable organization in connection with the solicitation of contributions but does not qualify as “professional fund-raising counsel”.

Charitable purpose - a purpose described in Section 501(c)(3) of the Internal Revenue Code as a benevolent, social welfare, scientific, educational, environmental, philanthropic, humane, patriotic, public health, civic, or other eleemosynary objective.

2.15 THIS SECTION OF THE LAW ALSO PROVIDES FOR ANNUAL REGISTRATION FOR NONPROFIT CORPORATIONS, FUND-RAISING COUNSEL AND SOLICITORS.

- With some exceptions, every charitable organization which intends to solicit contributions within South Carolina or have contributions solicited on its behalf shall file a registration statement with the Secretary of State on forms prescribed by the Secretary of Sate. This form is called the “Registration Statement for a Charitable Organization” (see appendix D for forms associated with fund raising by nonprofit organizations in South Carolina .

Check on Registration Status of Fundraising Consultants

Nonprofits should not rely solely on consultants to ensure that persons hired by the organization either as “counsel” or “solicitor” have met this legal requirement. (Include this check as part of your recruitment selection procedure when preparing to hire outside help for your fund-raising program.

2.16 FILING REQUIRED OF FUND RAISING COUNSEL AND SOLICITOR CONTRACTS

- Fund raising counsels and solicitors must annually file with the Secretary of State
- Every contract or agreement between professional fund-raising counsel or professional solicitor and a charitable organization must be in writing and filed with the Secretary of State within ten days after the contract is made.
- In addition to annual registration, solicitors must file a Solicitor’s Bond with the Secretary of State

2.17 FILINGS AFTER FUNDRAISING CAMPAIGNS

- Within 90 days after a solicitation campaign has been completed, and on the anniversary of the commencement of a solicitation campaign lasting more than one year, the professional solicitor or the charitable organization must file a joint financial report for the campaign with the Secretary of State. (See sample form in Appendix D)

Section 3

3.0 OTHER STATE AGENCIES CONNECTED TO NONPROFIT ORGANIZATIONS

Over the course of your nonprofit agency's lifetime, other state agencies besides the Secretary of State will become or are likely to become involved with the operations of your organization. The South Carolina Department of Revenue will certainly be involved with you if only through your required filings with the department of tax liabilities that cannot be exempted.

A FEW OF THE IMPORTANT AREAS OF NONPROFIT OPERATIONS THAT COME UNDER THE STATUTORY AUTHORITY OF THE S.C. DEPARTMENT OF REVENUE INCLUDE:

STATE AND LOCAL TAX EXEMPTIONS

Tax exemptions obtained at the state or local level of government are usually contingent upon an organization's receipt of federal tax-exemption. Consequently we presented the application process for Federal Tax-Exemption before discussing other exemptions that may apply to a nonprofit and its activities to highlight the necessity of first gaining the federal recognition.

◆ **Exempt property for nonprofit organizations that have attained federal tax exemption.** Application for consideration for state property tax exemption is made on Form PT-401 issued by the S. C. Department of Revenue. (A copy of Form PT-401 along with instructions are in Appendix D as are all of the other forms referred to in this section)

◆ **Fund raising Events by Nonprofit Organizations:** Includes information as to Sales Tax, Admissions Tax, and ABC.

◆ **Exemptions from the sales tax for nonprofit organizations must be applied for on Form ST-387 (Appendix D).** This exemption only applies to sales or purchases for resale by eligible nonprofit organizations. Purchases of property used by the nonprofit organization (i.e., computers, furniture, supplies, etc.) do not come within this exemption.

◆ **Admissions tax exemptions are applied for by using Form L-2068**

◆ **Sale of Beer and Wine.** Application for a temporary beer, wine, mini-bottle or alcoholic license are applied for on Form ABL 900

3.1 OTHER APPLICATIONS HANDLED THROUGH THE S. C. DEPARTMENT OF REVENUE THAT MAY BE OF IMPORTANCE TO NONPROFIT ORGANIZATIONS ARE:

◆ Business Tax Application - Form SCTC-111

◆ Application for a license to operate a place of amusement (Form L-514)

Contact and Address information for the SC Department of Revenue:

**STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
301 Gervais Street
P.O. 125
Columbia, South Carolina 29214
ELIZABETH A. CARPENTIER, DIRECTOR**

Information about the Department of Revenue and Forms that can be downloaded from the computer can be accessed through the department's website whose address is:

<http://www.dor.state.sc.us/dor.html>



Phone numbers are available on the website.

Two that may be useful to the nonprofit organization are:

Exempt Property: 803.898.5480

Forms: 803.898.5320

1.800.768.3676

**REAL PROPERTY
AND
COMMERCIAL
ACTIVITY**

As a general rule, nonprofit organizations should consult with the S.C. Department of Revenue with regard to the status of any real property it owns or plans to purchase. Also consult with this agency whenever fundraising activities may encroach on areas generally considered part of the "commercial" arena; e.g., sales of products, and entertainment activities.

3.2 THE SOUTH CAROLINA ATTORNEY GENERAL

Your nonprofit organization may never come into direct contact with the Attorney General and if it does not, it is probably a good thing for the organization. As the State of South Carolina's chief prosecutor, the Attorney General's role relative to the nonprofit organization usually occurs when leaders of these organizations are suspected of engaging in criminal behavior. Some of the Attorney General's non-punitive responsibilities relative to nonprofit organizations are spelled out in the state's nonprofit corporate law (Chapter 33). For example, the Attorney General or any of his assistants or representatives may:

- ◆ Make investigations into the organization, conduct, and management of a nonprofit corporation, examine and take copies of all books, accounts, records, minutes, letters, memoranda, documents, checks, vouchers, telegrams, articles, bylaws and any and all other records of any nonprofit as often as it is necessary to show that the corporation has been, or is, engaged in acts or conduct in violation of its charter rights and privileges or in violation of any law of South Carolina.

In the event the Attorney General needs to examine an organization's records, a written request to do so will be made to the president or another officer of the nonprofit organization and the officer or an agent must immediately permit this inspection and examination.

3.3 SALE AND DISSOLUTION OF ASSETS

- ◆ A public charity must give written notice to the Attorney General twenty days before it sells, leases, exchanges, or otherwise disposes of all, or substantially all, of its property if the transaction is not in the usual and regular course of its activities unless the Attorney General has given the nonprofit a written waiver.

3.4 NOTICE TO THE ATTORNEY GENERAL IN THE EVENT OF DISSOLUTION

- ◆ A public charity shall give the Attorney General written notice that it intends to dissolve at or before the time it delivers articles of dissolution to the Secretary of State. The notice shall include a copy or summary of the plan of dissolution.
- ◆ No assets may be transferred or conveyed by a public charity as part of the dissolution process until twenty days after it has given the written notice required to the Attorney General or until the Attorney General has consented in writing to the dissolution, or indicated in writing that he will take no action with respect to the transfer or conveyance, whichever is earlier.
- ◆ When all or substantially all of the assets of a public charity have been transferred or conveyed following approval of dissolution, the board shall deliver to the Attorney General a list showing those, other than creditors, to whom the assets were transferred and conveyed. The list shall indicate the addresses of each person, other than creditors, who received assets and indicate what assets each received.

3.5 JUDICIAL DISSOLUTIONS



THE ATTORNEY GENERAL MAY INITIATE A PROCEEDING IN THE COURT OF COMMON PLEAS TO HAVE A NONPROFIT CORPORATION DISSOLVED IF THE CORPORATION:

- ◆ OBTAINED ITS ARTICLES OF INCORPORATION THROUGH FRAUD
- ◆ CONTINUED TO EXCEED OR ABUSE THE AUTHORITY CONFERRED UPON IT BY LAW
- ◆ IS A PUBLIC BENEFIT CORPORATION AND THE ASSETS ARE BEING MISAPPLIED OR WASTED
- ◆ IS A PUBLIC BENEFIT CORPORATION AND IT IS NO LONGER ABLE TO CARRY OUT ITS PURPOSES
- ◆ HAS IMPROPERLY SOLICITED MONEY OR HAS FRAUDULENTLY USED THE MONEY SOLICITED OR
- ◆ HAS CARRIED ON, CONDUCTED, OR TRANSACTED ITS BUSINESS OR AFFAIRS IN A PERSISTENTLY FRAUDULENT OR ILLEGAL MANNER.

Proceedings by the Attorney General to dissolve a corporation take place in the county where the corporation's principal office is located; if the corporation has failed to maintain a principal office or failed to report any change of the office, the proceedings will take place in the Court of Common Pleas in Richland County.

Whenever parties (other than the Attorney General) are authorized to bring about involuntary dissolution proceedings against a nonprofit corporation, the parties must give written notice of the proceedings to the Attorney General immediately.

3.6 WAYS TO CONTACT THE OFFICE OF THE ATTORNEY GENERAL OF
SOUTH CAROLINA

Mailing Address:

**HONORABLE CHARLES M. CONDON
OFFICE OF THE ATTORNEY GENERAL
P.O. Box 11549
Columbia, South Carolina 29211**

Address:

**REMBERT DENNIS BUILDING
1000 Assembly Street
Room 501
Columbia, South Carolina 29211**

Website:

[Http://www.scattorneygeneral.org](http://www.scattorneygeneral.org)

Telephone:

1.803.734.3970

Section 4

4.0 AVOID ERRORS COMMONLY MADE BY NONPROFIT LEADERS

PRIOR TO CREATING THE ORGANIZATION

BE CERTAIN TO:

- *Adequately assess the need for the organization in the target area*
- *Adequately assess the potential voluntary and monetary support for the organization in the target area*
- *Ensure that persons selected for the initial board are unrelated by kinship*
- *Ensure that persons selected for the board really can commit “time” to the institution*
- *Understand that the nonprofit organization is not a privately owned business of the founders or board members*

AFTER THE ORGANIZATION IS INCORPORATED AND HAS ATTAINED TAX-EXEMPT STATUS

IN GOVERNANCE:

- *Prepare board members for their critical work as voluntary leaders of a newly developing organization*
- *Develop a comprehensive plan for the organization and its major functions*
- *Thoroughly check the experience and credentials of professionals whom are paid to provide services to the organization*
- *Establish limitations on terms of offices of people serving on the board - and plan for succession of board members*
- *Review Articles of Incorporation and Bylaws to ensure their compliance with the organization’s mission, tax and corporation laws and coverage of directors and officers’ expectations and duties*
- *Ensure that the number of board members established by the Bylaws is actually serving*
- *Establish standards for board membership including attendance at board meetings, committee service, personal financial support of the organization, conflict of interest disclosure and other important standards of board performance*

- *Enact and execute a policy to remove board members who are not contributing to the work of the organization*
- *Establish a policy that specifies materials that must be distributed to board members prior to the board meeting: i.e., minutes of the last meeting, current financial statements, current reports of committees, summaries of decisions the board will be asked to make, copies of resolutions proposed for adoption, etc.*
- *Establish board committees appropriate to the needs of the organization*
- *Establish the limits of authority of board committees and their reporting requirements, i.e., reports to the full board, reports to the full board in executive session*
- *Plan to purchase Directors & Officers insurance and to have it annually reviewed by legal counsel with regard to:*
 - ◆ ***Events it covers***
 - ◆ ***Events it does not cover***
 - ◆ ***Deductibles***
 - ◆ ***Co-insurance requirements/limitations***
 - ◆ ***Gaps that can be plugged by other types of coverage***

OR

- ***Resist the tendency to rely on “how we did it in xyz organization” for years to guide decisions about your new organization***
- ***Ensure that elections are held routinely so that no board members term exceeds the 5 consecutive year limit set by the state law.***

IN THE AREA OF FUND RAISING:

- *Develop a comprehensive fundraising program*
- *Thoroughly research funding prospects*
- *Understand that the organization cannot be sustained over the long term solely on “grants”*
- *Develop a clear and concise case for support*
- *Establish the all important “relationships” that are the backbone of fund raising*
- *Prepare fundraising materials that are consistent with the highest quality of information and proposals*
- *Ensure that the organization’s exempt status is not jeopardized by lobbying activities, political activities, and disreputable fundraising activities*

IN THE AREA OF VOLUNTEER SERVICES:

- *Assess organizational risks*
- *Establish the status of volunteers with regard to indemnification*
- *Provide “job descriptions” for volunteers*
- *Ensure management oversight of all volunteer activities*
- *Establish a volunteer appreciation program*

IN THE AREA OF MANAGEMENT OVERSIGHT:

- *Specify the constituency and/or geographic region the organization targets for its services/programs*
- *Ensure that finances of the organization are handled in accordance with standard accounting principles for nonprofit organizations*
- *Regularly report on the organization’s activities to key stakeholders*
- *Consistently develop and employ an evaluation system for all aspects of the organization*
- *Maintain accurate records of the affairs of the organization including legal instruments, minutes of meetings, board roster, etc.*

Appendices

APPENDIX A

APPENDIX A CONTAINS INFORMATION CONCERNING:



Helpful Internet Sites for Nonprofit Organizations

HELPFUL INTERNET SITES FOR NONPROFIT ORGANIZATIONS

GOVERNMENTAL SITES

THE US DEPARTMENT OF EDUCATION

- ◆ Information about funding opportunities, research and statistics, student financial aid, etc.

<http://www.ed.gov>

INTERNET RESOURCES NEWSLETTER

- ◆ Free monthly newsletter for academic students, engineers, scientists, and social scientists

<http://www.hw.ac.uk/libwww/irn.html>

U.S. FEDERAL GOVERNMENT AGENCIES DIRECTORY

<http://www.lib.lsu.edu/gov/fedgov.html>

SOUTH CAROLINA DEPARTMENT OF REVENUE

<http://www.dor.state.sc.us>

SOUTH CAROLINA SECRETARY OF STATE

<http://www.scsos.com>

OFFICE OF THE ATTORNEY GENERAL FOR SOUTH CAROLINA

<http://www.scattorneygeneral.org>

INTERNAL REVENUE SERVICE

- ◆ The forms (990 & 990EZ) for nonprofit financial filing, as well all other publications you will need for tax-exemption, financial reporting, etc. for your nonprofit organization can be downloaded from this site:

<http://www.irs.ustreas.gov>

You can also obtain these forms from any IRS office or by mail or any other place that has tax forms.

HELPFUL INTERNET SITES FOR NONPROFIT ORGANIZATIONS

OTHER HELPFUL SITES

COMMUNITY DEVELOPMENT, ORGANIZING, AND ACTIVISTS CONNECTIONS AND RESOURCES

- ◆ Links to websites, listservers, and online publications and directory of program evaluation resources for community members and community development professionals

<http://www.touchim.human.cornell.edu/gallery/king/gmk.home.htm>

LINKS TO MAJOR CORPORATIONS AND THEIR PHILANTHROPIC POLICIES

<http://w3.uwyo.edu/~prospect/corp-giv.html>

- ◆ Contains a variety of useful information for nonprofit organizations including online guide-lines for private and corporate foundations and services available through The Foundation Center itself.

<http://www.fdncenter.org/>

THE MOVEMENT FOR BELOVED COMMUNITY, SUPPORT FOR COMMUNITY ORGANIZATIONS

- ◆ Dedicated to building community structures that foster local community control. Contains links to public and private funding sources

<http://www.home.earthlink.net/~rflyer/helpgroupssub.html>

ALLIANCE FOR NATIONAL RENEWAL. A NATIONAL CIVIC LEAGUE PROGRAM

- ◆ Information about activities of a coalition of organizations committed to improving communities by inspiring diverse citizens to work together

<http://www/ncl.org/anr/>

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

- ◆ Organization dedicated to making philanthropy more responsive to poor people and to critical public needs

<http://www.ncrp.org/index.html>

SCI WAY

- ◆ The South Carolina Business Directory

<http://www.sciway.net/forms/search.html>

THE HELP WEB

- ◆ A guide to getting started on the internet

<http://www.imaginarylandscape.com/helpweb/>

Appendices

APPENDIX B

APPENDIX B CONTAINS INFORMATION CONCERNING:



South Carolina Library Resources and Services

SOUTH CAROLINA LIBRARY RESOURCES AND SERVICES

GRANTS RESEARCH COLLECTION AT THE SOUTH CAROLINA STATE LIBRARY

The South Carolina State Library is a Cooperating Collection designated by the Foundation Center in New York to receive and make available information on philanthropic foundations. The Grants Research Collection includes numerous reference works published by the Foundation Center and other publishers, U.S. Internal Revenue Service 9900-PF income tax returns of South Carolina foundations, periodicals on fund raising, CD-ROMS, and a small number of foundation annual reports. There are also a wide variety of books on grant seeking and fund-raising strategies, grant proposal writing, and the operation of nonprofit organizations.

The South Carolina State's Library hours are 8:15 a.m.-5:30 p.m. Monday through Friday, and 9:00 a.m.-1:00 p.m. Saturday. The Library's reference staff is available to provide assistance in using the Grants Research Collection and can answer factual questions on specific foundations. Some materials are available for loan through the Library's interlibrary loan service. For additional information on this collection see the library's web page (<http://www.state.sc.us/scsl/>). Individuals planning to visit the State Library to use this collection are encouraged to telephone in advance and schedule a brief orientation to the collection: (803) 734-8666.

OTHER COOPERATION COLLECTIONS IN SOUTH CAROLINA

The Anderson County Library, Charleston County Library, and the Community Foundation of Greater Greenville also serve as Cooperation Collections of the Foundation Center. As such, the libraries maintain a collection of foundation directories and related titles, including copies of 990-PF income tax returns for South Carolina foundations. Inquiries regarding any of these collections should be directed to:

Anderson County Library
P.O. Box 4047
202 East Greenville Street
Anderson, SC 29621
Phone: (864) 260-4500
Fax: (864) 260-4510

Charleston County Library
68 Calhoun Street
Charleston, SC 29401
Phone: (843) 805-6930
Fax: (843) 722-0429

Community Foundation Of
Greater Greenville
P.O. Box 6909
27 Cleveland Street, Suite 101
Greenville, SC 29606
Phone: (864) 233-5925
Fax: (864) 242-9292

Appendices

APPENDIX C

APPENDIX C CONTAINS INFORMATION CONCERNING:



Sources of Support for Nonprofit Organizations

SOURCES OF SUPPORT FOR NONPROFIT ORGANIZATIONS

THE SOUTH CAROLINA ASSOCIATION OF NONPROFIT ORGANIZATIONS (SCANPO)

The South Carolina Association of Nonprofit Organizations is the only statewide network that brings together all charitable nonprofit organizations to strengthen the effectiveness of the state's nonprofit sector. SCANPO's members include many of the state's smallest and largest nonprofits.

Mission: In partnership with its members, SCANPO works to: improve charitable services to citizens of South Carolina by strengthening the leadership and management capacity of nonprofit organizations.

Program Areas

The Advocacy Program addresses legislative, policy and tax issues that affect the nonprofit sector. This program works with nonprofit leaders to educate public leaders about the nonprofit sector's contributions to society. The Advocacy Program also provides training on charitable lobbying.

The Membership Program serves member organizations by creating a sense of community and promoting exchange through networking opportunities, such as regional member meetings and the Annual Conference.

The Communications Program reaches a broad audience to increase the visibility and recognition of both SCANPO and the South Carolina nonprofit sector through the media, Internet and publications

The Education and Training Program serves staff of all nonprofits by offering a variety of learning opportunities to enhance professional and personal development.

Membership

Organizations exempt from taxes under statute 501(c)(3) of the Internal Revenue Service code are eligible for membership in SCANPO and membership dues are charged according to the organization's annual operating budget. Organizations that are not 501(c)(3) entities may join SCANPO as a "Friend of Nonprofit". For additional information about SCANPO call 803/929.0399.

SC ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

The SC Association of Community Development Corporations is a statewide trade association of nonprofit, community-based development corporations dedicated to job creation, small business development and quality of life improvements within the state's economically distressed communities. The Association places particular emphasis on promoting development in communities that have been left out of the economic mainstream, especially minority communities.

Characteristics of member organizations:

- (a) 501(c)(3) tax-exempt organizations
- (b) organizations whose primary mission is the development and improvement of low-income communities through economic and related developments.
- (c) organizations whose activities and decisions are initiated, managed and controlled by the constituents of their local communities
- (d) organizations that create projects that position their constituents to own, manage and develop businesses, affordable housing and services that contribute to a climate that is conducive to community reinvestment and revitalization.

Contact Person/Information:

South Carolina Association of Community Development Corporations
658 Rutledge Avenue,
2nd Floor
Charleston, SC 29403
(843) 579.9855
(843) 723.3918 fax

Bernie Mazyck President & CEO

SOUTH CAROLINA PLANNED GIVING COUNCIL (SCPGC)

The goal of the SCPGC is to promote a collaborative effort among members of the legal, financial and development communities in serving the charitable, financial and estate planning needs of donors and clients. The organization's range of services includes

- X Training and education - Three annual workshops covering tax law changes, the nuts and bolts of planned giving, marketing strategies, advanced topics, etc. are conducted.
- X Networking with other professionals - Opportunities to meet the local community of gift planners including attorneys, financial advisors, development officers, insurance executives, accountants are available to the novice and the veteran.
- X Government relations - Locally through SCPGC and nationally through NCPG, a network of support for legislation favorable to charitable giving is provided along with updates on pending legislation

SCPGC and NCPG membership - When you become a member of SCPGC you automatically become a member of the National Committee on Planned Giving. For additional information contact Rocky Menge at 803.929.1192 or 800.332.6637

NATIONAL SOCIETY FOR FUNDRAISING EXECUTIVES (NSFRE)

The NSFRE advances philanthropy through education, training and advocacy. South Carolina chapters are organized in Columbia, Charleston and Greenville. For information, call 1-800-666-FUND or visit the NSFRE web page at www.nsfre.org

Appendices

APPENDIX D

APPENDIX D CONTAINS INFORMATION CONCERNING:



Required Filing Forms and Reports for Nonprofit Corporations

Forms From the Office of Secretary Of State

- ARTICLES OF INCORPORATION
- ARTICLES OF AMENDMENT
- NOTIFICATION BY EXISTING CORPORATION
- ARTICLES OF CORRECTION
- ARTICLES OF MERGER
- NOTICE OF CHANGE OF A PRINCIPAL OFFICE FOR A NONPROFIT CORPORATION
- ARTICLES OF DISSOLUTION
- APPLICATION TO RESERVE A NONPROFIT CORPORATE NAME
- NOTICE OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH
- APPLICATION BY A FOREIGN NONPROFIT CORPORATION FOR A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN THE STATE OF SOUTH CAROLINA
- APPLICATION BY A FOREIGN NONPROFIT CORPORATION FOR AN AMENDED CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN THE STATE OF SOUTH CAROLINA
- APPLICATION BY A FOREIGN NONPROFIT CORPORATION FOR A CERTIFICATE OF WITHDRAWAL FROM THE STATE OF SOUTH CAROLINA
- APPLICATION TO REGISTER NONPROFIT CORPORATE NAME BY A FOREIGN NONPROFIT CORPORATION
- APPLICATION FOR REINSTATEMENT OF A NONPROFIT CORPORATION DISSOLVED BY ADMINISTRATIVE ACTION
- REGISTRATION STATEMENT FOR A CHARITABLE ORGANIZATION
- APPLICATION FOR EXEMPTION

- ANNUAL FINANCIAL REPORT
- REGISTRATION APPLICATION FOR PROFESSIONAL FUNDRAISING COUNSEL
- REGISTRATION APPLICATION FOR PROFESSIONAL SOLICITOR
- PROFESSIONAL SOLICITOR'S BOND
- INDIVIDUAL PROFESSIONAL SOLICITOR REGISTRATION STATEMENT
- JOINT FINANCIAL REPORT FOR SOLICITATION CAMPAIGN

Forms From the Department of Revenue and Taxation

- APPLICATION FOR EXEMPTION
- APPLICATION FOR SALES TAX EXEMPTION FORM FOODSTUFFS SOLD TO CERTAIN NONPROFIT ORGANIZATIONS
- APPLICATION FOR CERTIFICATE
- AFFIDAVIT TO LIMIT TO THREE HUNDRED DOLLARS THE MAXIMUM SALES/USE TAX ON SALES OF MUSICAL INSTRUMENTS AND OFFICE EQUIPMENT TO RELIGIOUS ORGANIZATIONS
- APPLICATION FOR SALES TAX EXEMPTION UNDER CODE SECTION 12-36-2120(41), "EXEMPT ORGANIZATIONS"

Appendices

APPENDIX E

APPENDIX E CONTAINS INFORMATION CONCERNING:



The Author

ABOUT THE AUTHOR

Glenice Pearson is the founder and president of The NonProfit Network, Inc., which is based in Columbia, South Carolina. She has over 35 years experience providing consulting and fund raising services to nonprofit organizations. Her doctoral studies are in Applied Management and Decision Sciences, with a specialization in Philanthropy and Nonprofit Organizations. Ms. Pearson has guided nonprofit organizations of every type and size through the processes of incorporation and tax exemption, organizational development, fund raising, strategic planning, grants research and writing, board development and other critical functions that lead to their effectiveness. These organizations, in her view, are essential to the development of healthy, stable neighborhoods and allow for the participation of a wide spectrum of American citizens in building, rebuilding and revitalizing the communities of which they are an integral part. It is primarily through the "THIRD SECTOR", comprised of nonprofit organizations, that people can realize their deeply embedded need to be of service to others. These organizations form the network of support that individuals and families may need to survive and to thrive.

Her business is dedicated to the belief that "Nonprofit organizations in America comprise the THIRD SECTOR, and are the major providers of human services, cultural events and programs, and spiritual enlightenment and uplift. Their presence in every community in this nation is critical if these communities are to become vital and remain stable. Strong communities are the foundation upon which the strength of the nation is built and sustained. She is personally dedicated to the achievement of this vision.

In addition to being the author of the first and revised manuals for nonprofit organizations approved by the Secretary of State of South Carolina, Ms. Pearson also contributes articles on nonprofit development and management to various publications. She regularly conducts seminars and workshops on nonprofit development and management.

FOR FURTHER INFORMATION:

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This manual and other voluntary projects in
1999 have been dedicated to the memory of
my nephew
Detective Kyle Arthur Williams, a hero and
gentle soul.