

## Virginia Nonprofit Organization Toolkit

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### Formation

Organizations formed in Virginia to conduct business on a nonprofit or not-for-profit basis are usually formed as Virginia nonstock corporations. These corporations, which can, but are not required to, have members (i.e., a membership), do not have owners.

The articles of incorporation of a Virginia nonstock corporation must include certain provisions required under Virginia law. In particular, the articles must set forth whether or not the corporation will have members and identify upon whose authority future directors will be elected or appointed. See the Clerk's Office template for articles of incorporation for a Virginia nonstock, nonprofit corporation, form SCC819NP, and, more generally, form SCC819, which are available on our website at [http://www.scc.virginia.gov/clk/vanon\\_corp.aspx](http://www.scc.virginia.gov/clk/vanon_corp.aspx).

Note that the directors can be identified in the articles of incorporation with a different title, such as "trustees." Be sure the desired title is used consistently throughout the articles of incorporation.

### Tax-Exempt Status

To obtain tax-exempt status for federal income tax purposes, an organization must apply to the Internal Revenue Service. Relevant information is available in [IRS Publication 557](#).

One requirement for IRS approval is that the organizational instrument (e.g., the articles of incorporation) includes acceptable purposes, limitations on distributions and restrictions on activities, and restrictions on the distribution of assets upon dissolution. For a corporation that will seek status as a charitable organization under Section 501 (c)(3) of the Internal Revenue Code, see Articles Third, Fifth, and Sixth in the Appendix "Sample Articles of Organization" in [IRS Publication 557](#). The Clerk's Office template for articles of incorporation for a Virginia nonstock, non-profit corporation, form SCC819NP, contemplates the insertion of these provisions.

*Important:* The Clerk's Office makes no attempt to determine if apparent tax-exempt provisions in the articles of incorporation comply with IRS requirements. All questions regarding the sufficiency of income tax provisions and tax-exempt status, in general, should be directed to the IRS or a qualified tax or legal advisor.

*Note:* It is the understanding of the Clerk's Office that the IRS will not recognize a limited liability company (LLC) as a Section 501(c)(3) charitable organization unless each of its members is a corporation that has been recognized as a Section 501(c)(3) charitable organization. Questions in this regard should be directed to the IRS or a qualified tax or legal advisor.

### Solicitation of Contributions

If a person, including a corporation or other organization, intends to solicit charitable contributions in Virginia or have funds solicited on its behalf, it must first register with the Office of Charitable and Regulatory Programs in the Division of Consumer Protection, Virginia Department of Agriculture and Consumer Services. For more information, visit [www.vdacs.virginia.gov/food-charitable-solicitation.shtml](http://www.vdacs.virginia.gov/food-charitable-solicitation.shtml) or call (804) 786-5005.