

Is your corporation completing the annual report required by law?

by Bradley M. Pinsky

Many fire and EMS corporations simply do not comply with the New York State Not For Profit Law. If you run a not-for-profit corporation, you must comply with the law. If you do not comply, you risk penalties imposed upon the corporation and in some cases, upon the directors and officers. Annual reviews of your bylaws by the corporation's lawyer are good ways to ensure that all of the requirements of the Not-For-Profit Laws are included.

One important section with which a not-for-profit corporation must comply is section 519 of the New York State Not-For-Profit Corporation Law. Section 519 requires that the Board of Directors file an annual report each year. The procedure and requirements are as follows, and we suggest that a corporation simply copy the following paragraphs and insert them directly into the bylaws:

The Board shall present at the annual meeting of members a report, verified by the president and treasurer or by a majority of the directors, or certified by an independent public or certified public accountant or a firm of such accountants selected by the Board, showing in appropriate detail the following:

- (1) The assets and liabilities of the corporation as of the end of a twelve month fiscal period terminating not more than six months prior to said meeting;
- (2) The principal changes in assets and liabilities, during the said fiscal period;
- (3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes during said fiscal period;
- (4) The expenses or disbursements of the corporation, for both general and restricted purposes, during said fiscal period;
- (5) The number of members of the corporation as of the date of the report, together with a statement of increase or decrease in such number during the said fiscal period, and a statement of the place where the names and places of residence of the current members may be found.

The annual report of directors shall be filed with the records of the corporation and a copy thereof shall be placed in the minutes of the annual meeting of the members.