



## Special Meeting of the Society

October 29, 2019

The President of the Falmouth Historical Society has called a special meeting of the Society, in accordance with Article V, Section C, of the Bylaws. The meeting has been called to deal with an urgent matter involving the Society's status as a tax-exempt nonprofit.

### **Background**

The Society was notified this month by the Internal Revenue Service that the Society's Articles of Incorporation (as accepted by the Maine Secretary of State on August 24, 1981) do not contain specific language required for a tax-exempt nonprofit under Section 501(c)(3) of the Internal Revenue Code. The IRS helpfully provided the wording for two clauses that need to be incorporated in the Society's Articles of Incorporation.

The first clause limits the Society's purpose in compliance with the tax code. There is no such language in the existing Articles. The Bylaws refer to the appropriate provision of the tax code but do not contain the specific language.

The second clause deals with disposition of assets in the event of dissolution. The seventh of the existing Articles addresses dissolution but lacks the specific language provided by the IRS.

The Society must amend its Articles of Incorporation. Maine Revised Statutes Title 13-B §802 specifies the process for amendment. The amended Articles must be approved by the membership at an annual or special meeting.

The President of the Society has proposed to the Board of Directors that the Articles of Incorporation be modified to bring the Articles into compliance with the Internal Revenue Code. The Board has adopted a resolution to bring the proposed changes to the Articles for a vote by the members present at the special meeting called by the President in accordance with Article VII, Section C of the Bylaws,.

A Special Meeting of the Society has been called for 7:00 p.m. Tuesday, October 29, 2019, at the Falmouth Heritage Museum.

## **Agenda**

Resolution. The Board of Directors of The Falmouth Historical Society resolves that, subject to approval by the membership, the President of the Society is authorized to amend the Society's Articles of Incorporation as proposed. Moreover, the President, during the next sixty days, is authorized by the members of the Society to make such additional amendments, including changes, additions and deletions, as the Board of Directors deems necessary to bring said Articles into compliance with all applicable federal and state laws, regulations, policies and common practice for a tax-exempt nonprofit such as the Society. This resolution will be presented to the membership for approval at the Special Meeting of the Society called by the President.

Proposed Amendment. The President of the Society has proposed, upon approval by the membership, to immediately submit the following documents to the Maine Secretary of State to amend the Society's Articles of Incorporation:

1. Filer Contact Cover Letter
2. Form MNPCA-3-NCRA (Noncommercial Registered Agent—Statement of Appointment or Change).
3. Form MNPCA-6A (Restated Articles of Incorporation).
4. Form MNPCA-6-1 (Articles of Incorporation), Exhibit A to Part 3
5. (Articles of Incorporation—Additional Provisions), Exhibit B to Part 4.

A copy of the existing Articles of Incorporation is provided for reference.

## **Discussion**

The resolution authorizes the President of the Society to submit the proposed changes as well as make any additional tweaks requested or recommended by the authorities.

The package being submitted to the Maine Secretary of State consists of two changes:

1. The “noncommercial registered agent” is changed from Fred Howe to David Farnham. Fred has been the registered agent for nine years and just “retired” from the Board for the second time. David expects to be active in the Society for the indefinite future. The registered agent is an administrative point-of-contact for the Society and is listed on the form to amend the Articles of Incorporation but a separate form is required to change the name and address.
2. The existing Articles of Incorporation are replaced with a new set of Articles. The existing Articles were submitted on Form MNPCA-6 (Rev. 11/79). The new Articles are being submitted on Form MNPCA-6-1 (Rev. 2/18).

### 3. Changes from existing Articles:

<i>Existing Clause</i>	<i>New Clause</i>
FIRST	Name. No change.
SECOND	Purpose. Current Article was generic boilerplate on the old form which isn't present on new form. A paraphrase of the purpose from the Bylaws—more concise and less restrictive—was added.
THIRD	Registered Agent. Changed from Fred Howe to David Farnham. The new form inserts a new FOURTH Article with boilerplate involving the Registered Agent.
FOURTH	(New FIFTH Article) Number of Directors. No change.
FIFTH	(New SIXTH Article) Members. No change. Details now under NINTH.
SIXTH	(New SEVENTH Article) Boilerplate on political activities. No change.
SEVENTH	(New ELEVENTH Article) Dissolution Part I. (New TWELFTH Article) Dissolution Part II.
EIGHTH	Optional. Not used in Existing. New points to Exhibit B containing the SECOND (continuation) and NINTH through TWELFTH Articles.
NINTH	Membership Details. Changes include grammatical corrections. Text for admission of members is changed: “election by Board” is replaced by “acceptance by Board or designated officers.”
TENTH	Limitation for tax purposes. Boilerplate provided by IRS.
ELEVENTH	Dissolution Part I. Boilerplate provided by IRS.
TWELFTH	Dissolution Part II. No change.

### **Voting**

A quorum of fifteen members present or voting by proxy is required. A proxy form is provided. Proxy voting is permitted by Maine Revised Statutes Title 13-B, §604(2),