

ILLINOIS

BUSINESS ORGANIZATIONS (805 ILCS 105/) General Not For Profit Corporation Act of 1986.

ARTICLE 1. GENERAL PROVISIONS

(805 ILCS 105/101.01) (from Ch. 32, par. 101.01)

Sec. 101.01. Short title. This Act shall be known and may be cited as the "General Not For Profit Corporation Act of 1986".

(Source: P.A. 84-1423.)

(805 ILCS 105/101.05) (from Ch. 32, par. 101.05)

Sec. 101.05. Powers of Secretary of State. The Secretary of State shall have the power and authority reasonably necessary to administer this Act efficiently and to perform the duties therein imposed.

(Source: P.A. 84-1423.)

(805 ILCS 105/101.10) (from Ch. 32, par. 101.10)

Sec. 101.10. Forms, execution, acknowledgment and filing.

(a) All reports required by this Act to be filed in the office of the Secretary of State shall be made on forms which shall be prescribed and furnished by the Secretary of State. Forms for all other documents to be filed in the office of the Secretary of State shall be furnished by the Secretary of State on request therefor, but the use thereof, unless otherwise specifically prescribed in this Act, shall not be mandatory.

(b) Whenever any provision of this Act specifically requires any document to be executed by the corporation in accordance with this Section, unless otherwise specifically stated in this Act and subject to any additional provisions of this Act, such document shall be executed, in ink, as follows:

(1) The articles of incorporation shall be signed by

the incorporator or incorporators.

(2) All other documents shall be signed:

(i) By the president, a vice-president, the

secretary, an assistant secretary, the treasurer, or other officer duly authorized by the board of directors of the corporation to execute the document; or

(ii) If it shall appear from the document that

there are no such officers, then by a majority of the directors or by such directors as may be designated by the board; or

(iii) If it shall appear from the document that

there are no such officers or directors, then by the members, or such of them as may be designated by the members at a lawful meeting; or

(iv) If the corporate assets are in the

possession of a receiver, trustee or other court-appointed officer, then by the fiduciary or the majority of them if there are more than one.

(c) The name of a person signing the document and the capacity in which he or she signs shall be stated beneath or opposite his or her signature.

(d) Whenever any provision of this Act requires any document to be verified, such requirement is satisfied by either:

(1) The formal acknowledgment by the person or one of the persons signing the instrument that it is his or her act and deed or the act and deed of the corporation, as the case may be, and that the facts stated therein are true. Such acknowledgment shall be made before a person who is authorized by the law of the place of execution to take acknowledgments of deeds and who, if he or she has a seal of office, shall affix it to the instrument; or

(2) The signature, without more, of the person or persons signing the instrument, in which case such signature or signatures shall constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is his or her act and deed or the act and deed of the corporation, as the case may be, and that the facts stated therein are true.

(e) Whenever any provision of this Act requires any document to be filed with the Secretary of State or in accordance with this Section, such requirement means that:

(1) The original signed document, and if in duplicate as provided by this Act, one true copy, which may be signed, or carbon or photocopy shall be delivered to the office of the Secretary of State.

(2) All fees and charges authorized by law to be collected by the Secretary of State in connection with the filing of the document shall be tendered to the Secretary of State.

(3) If the Secretary of State finds that the document conforms to law, he or she shall, when all fees and charges have been paid as in this Act prescribed:

(i) Endorse on the original and on the true copy, if any, the word "filed" and the month, day and year thereof;

(ii) File the original in his or her office;

(iii) (Blank); and

(iv) If the filing is in duplicate, he or she shall return the copy to the corporation or its representative.

(f) If another Section of this Act specifically prescribes a manner of filing or executing a specified document which differs from the corresponding provisions of this Section, then the provisions of such other Section shall govern.

(Source: P.A. 96-1121, eff. 1-1-11.)

(805 ILCS 105/101.55) (from Ch. 32, par. 101.55)

Sec. 101.55. Certain powers reserved to General Assembly. (a) The General Assembly shall at all times have power to prescribe such provisions and limitations as it may deem advisable, which provisions and limitations shall be binding upon any and all corporations, domestic or foreign, subject to the provisions of this Act, and the General Assembly shall have power to amend, repeal, or modify this Act at its pleasure.

(b) The Secretary of State shall have the power to promulgate, amend or repeal rules and regulations deemed necessary to efficiently administer this Act. The rules and regulations adopted by the Secretary of State under this Act shall be effective in the manner provided for in

"The Illinois Administrative Procedure Act", approved September 22, 1975, as amended.
(Source: P.A. 85-1269.)

(805 ILCS 105/101.70) (from Ch. 32, par. 101.70)

Sec. 101.70. Application of Act.

(a) Except as otherwise provided in this Act, the provisions of this Act relating to domestic corporations shall apply to:

- (1) All corporations organized hereunder;
- (2) All corporations heretofore organized under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended;
- (3) All not-for-profit corporations heretofore organized under Sections 29 to 34, inclusive, of an Act entitled "An Act Concerning Corporations" approved April 18, 1872, in force July 1, 1872, as amended;
- (4) Each not-for-profit corporation, without shares or capital stock, heretofore organized under any general law or created by Special Act of the Legislature of this State for a purpose or purposes for which a corporation may be organized under this Act, but not otherwise entitled to the rights, privileges, immunities and franchises provided by this Act, which shall elect to accept this Act as hereinafter provided; and
- (5) Each corporation having shares or capital stock, heretofore organized under any general law or created by Special Act of the Legislature of this State prior to the adoption of the Constitution of 1870, for a purpose or purposes for which a corporation may be organized under this Act, which shall elect to accept this Act as hereinafter provided.

(b) Except as otherwise provided by this Act, the provisions of this Act relating to foreign corporations shall apply to:

- (1) All foreign corporations which procure authority hereunder to conduct affairs in this State;
- (2) All foreign corporations heretofore having authority to conduct affairs in this State under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended; and
- (3) All foreign not-for-profit corporations conducting affairs in this State for a purpose or purposes for which a corporation might be organized under this Act.

(c) The provisions of subsection (b) of Section 110.05 of this Act relating to revival of the articles of incorporation and extension of the period of corporate duration of a domestic corporation shall apply to all corporations organized under the "General Not for Profit Corporation Act", approved July 17, 1943, as amended, and whose period of duration has expired.

(d) The provisions of Section 112.45 of this Act relating to reinstatement following administrative dissolution of a domestic corporation shall apply to all corporations involuntarily dissolved after June 30, 1974, by the Secretary of State, pursuant to Section 50a of the "General Not for Profit Corporation Act", approved July 17, 1943, as amended.

(e) The provisions of Section 113.60 of this Act relating to reinstatement following revocation of authority of a foreign corporation shall apply to all foreign corporations which had their authority revoked by the Secretary of State pursuant to Section 84 or Section 84a of the "General Not for Profit Corporation Act", approved July 17, 1943, as amended.

(Source: P.A. 96-66, eff. 1-1-10.)

(805 ILCS 105/101.80) (from Ch. 32, par. 101.80)

Sec. 101.80. Definitions. As used in this Act, unless the context otherwise requires, the words and phrases defined in this Section shall have the meanings set forth herein.

(a) "Anniversary" means that day each year exactly one or more years after:

- (1) The date of filing the articles of incorporation prescribed by Section 102.10 of this Act, in the case of a domestic corporation;
- (2) The date of filing the application for authority prescribed by Section 113.15 of this Act in the case of a foreign corporation;
- (3) The date of filing the statement of acceptance prescribed by Section 101.75 of this Act, in the case of a corporation electing to accept this Act; or
- (4) The date of filing the articles of consolidation prescribed by Section 111.25 of this Act in the case of a consolidation.

(b) "Anniversary month" means the month in which the anniversary of the corporation occurs.

(c) "Articles of incorporation" means the original articles of incorporation including the articles of incorporation of a new corporation set forth in the articles of consolidation or set forth in a statement of election to accept this Act, and all amendments thereto, whether evidenced by articles of amendment, articles of merger or statement of correction affecting articles. Restated articles of incorporation shall supersede the original articles of incorporation and all amendments thereto prior to the effective date of filing the articles of amendment incorporating the restated articles of incorporation. In the case of a corporation created by a Special Act of the Legislature, "Articles of incorporation" means the special charter and any amendments thereto made by Special Act of the Legislature or pursuant to general laws.

(d) "Board of directors" means the group of persons vested with the management of the affairs of the corporation irrespective of the name by which such group is designated.

(e) "Bylaws" means the code or codes of rules adopted for the regulation or management of the affairs of the corporation irrespective of the name or names by which such rules are designated.

(f) "Corporation" or "domestic corporation" means a domestic not-for-profit corporation subject to the provisions of this Act, except a foreign corporation.

(g) "Delivered," for the purpose of determining if any notice required by this Act is effective, means:

- (1) Transferred or presented to someone in person;
- (2) Deposited in the United States mail addressed to the person at his, her or its address as it appears on the records of the corporation, with sufficient first-class postage prepaid thereon;
- (3) Posted at such place and in such manner or otherwise transmitted to the person's premises as may be authorized and set forth in the articles of incorporation or the bylaws; or
- (4) Transmitted by electronic means to the e-mail address, facsimile number, or other contact information appearing on the records of the corporation as may be authorized or approved in the articles of incorporation or the bylaws.

(h) "Foreign corporation" means a not-for-profit corporation as defined and organized under the laws other than the laws of this State, for a purpose or purposes for which a corporation may be organized under this Act.

(i) "Incorporator" means one of the signers of the original articles of incorporation.

(j) "Insolvent" means that a corporation is unable to pay its debts as they become due in the usual

course of the conduct of its affairs.

(k) "Member" means a person or any organization, whether not for profit or otherwise, having membership rights in a corporation in accordance with the provisions of its articles of incorporation or bylaws.

(l) "Net assets," for the purpose of determining the authority of a corporation to make distributions, is equal to the difference between the assets of the corporation and the liabilities of the corporation.

(m) "Not-for-profit corporation" means a corporation subject to this Act and organized solely for one or more of the purposes authorized by Section 103.05 of this Act.

(n) "Registered office" means that office maintained by the corporation in this State, the address of which is on file in the office of the Secretary of State, at which any process, notice or demand required or permitted by law may be served upon the registered agent of the corporation.

(o) "Special charter" means the charter granted to a corporation created by special act of the Legislature whether or not the term "charter" or "special charter" is used in such special act.

(p) Unless otherwise prohibited by the articles of incorporation or the bylaws of the corporation, actions required to be "written", to be "in writing", to have "written consent", to have "written approval" and the like by or of members, directors, or committee members shall include any communication transmitted or received by electronic means.

(Source: P.A. 96-649, eff. 1-1-10.)

ARTICLE 2. FORMATION OF CORPORATIONS

(805 ILCS 105/102.05) (from Ch. 32, par. 102.05)

Sec. 102.05. Incorporators. One or more incorporators may organize a corporation under this Act. Each incorporator shall be either a corporation, domestic or foreign, whether not for profit or otherwise, or a natural person of the age of 18 years or more.

(Source: P.A. 84-1423.)

(805 ILCS 105/102.10) (from Ch. 32, par. 102.10)

Sec. 102.10. Articles of Incorporation. The articles of incorporation shall be executed and filed in duplicate in accordance with Section 101.10 of this Act.

(a) The articles of incorporation must set forth:

- (1) A corporate name for the corporation that satisfies the requirements of this Act;
- (2) The specific purpose or purposes for which the corporation is organized, from among the purposes authorized in Section 103.05 of this Act;
- (3) The address of the corporation's initial registered office and the name of its initial registered agent at that office;
- (4) The name and address of each incorporator;
- (5) The number of directors constituting the first board of directors and the names and addresses of each such director;
- (6) With respect to any organization a purpose of which is to function as a club, as defined in Section 1-3.24 of "The Liquor Control Act of 1934", as now or hereafter amended, a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors;
- (7) Whether the corporation is a condominium

association as established under the Condominium Property Act, a cooperative housing corporation defined in Section 216 of the Internal Revenue Code of 1954 or a homeowner association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure.

(b) The articles of incorporation may set forth:

(1) Provisions not inconsistent with law with respect to:

- (i) Managing and regulating the affairs of the corporation, including any provision for distribution of assets on final dissolution;
- (ii) Providing that the corporation shall have no members, or shall have one or more classes of members;
- (iii) Limiting, enlarging or denying the right of the members of any class or classes of members, to vote;
- (iv) Defining, limiting, and regulating the rights, powers and duties of the corporation, its officers, directors and members; or
- (v) Superseding any provision of this Act that requires for approval of corporation action a two-thirds vote of members or class of members entitled to vote by specifying any smaller or larger vote requirement not less than a majority of the votes which members entitled to vote on a matter shall vote, either in person or by proxy, at a meeting at which there is a quorum.

(2) Any provision that under this Act is required or permitted to be set forth in the articles of incorporation or bylaws.

(c) The articles of incorporation need not set forth any of the corporate powers enumerated in this Act.

(d) The duration of a corporation is perpetual unless otherwise specified in the articles of incorporation.

(e) When the provisions of this Section have been complied with, the Secretary of State shall file the articles of incorporation.

(Source: P.A. 92-33, eff. 7-1-01; 93-59, eff. 7-1-03.)

(805 ILCS 105/102.35) (from Ch. 32, par. 102.35)

Sec. 102.35. Incorporation of an association or society.

(a) When an unincorporated association or society, organized for any of the purposes for which a corporation could be formed under this Act, authorizes the incorporation of the association or society by the same procedure and affirmative vote of its voting members or delegates as its constitution, bylaws, or other fundamental agreement requires for an amendment to its fundamental agreement or, if no such vote is specified, by a majority vote of the voting members present at a duly convened meeting the purpose of which is stated in the notice of the meeting, then following the filing of articles of incorporation under Section 102.10 setting forth those facts and that the required vote has been obtained and upon the filing of the articles of incorporation, the association or society shall become a corporation and the members of the association or society shall become members of the corporation in accordance with provisions in the articles to that effect.

(b) Upon incorporation, all the rights, privileges, immunities, powers, franchise, authority, and property of the unincorporated association or society shall pass to and vest in the corporation,

and all obligations of the unincorporated association or society shall become obligations of the corporation.

(Source: P.A. 92-33, eff. 7-1-01.)

ARTICLE 3. PURPOSES AND POWERS

(805 ILCS 105/103.05) (from Ch. 32, par. 103.05)

Sec. 103.05. Purposes and authority of corporations; particular purposes; exemptions.

(a) Not-for-profit corporations may be organized under this Act for any one or more of the following or similar purposes:

- (1) Charitable.
- (2) Benevolent.
- (3) Eleemosynary.
- (4) Educational.
- (5) Civic.
- (6) Patriotic.
- (7) Political.
- (8) Religious.
- (9) Social.
- (10) Literary.
- (11) Athletic.
- (12) Scientific.
- (13) Research.
- (14) Agricultural.
- (15) Horticultural.
- (16) Soil improvement.
- (17) Crop improvement.
- (18) Livestock or poultry improvement.
- (19) Professional, commercial, industrial, or trade association.
- (20) Promoting the development, establishment, or expansion of industries.
- (21) Electrification on a cooperative basis.
- (22) Telephone service on a mutual or cooperative basis.
- (23) Ownership and operation of water supply facilities for drinking and general domestic use on a mutual or cooperative basis.
- (24) Ownership or administration of residential property on a cooperative basis.
- (25) Administration and operation of property owned on a condominium basis or by a homeowner association.
- (26) Administration and operation of an organization on a cooperative basis producing or furnishing goods, services, or facilities primarily for the benefit of its members who are consumers of those goods, services, or facilities.
- (27) Operation of a community mental health board or center organized pursuant to the Community Mental Health Act for the purpose of providing

direct patient services.

(28) Provision of debt management services as authorized by the Debt Management Service Act.

(29) Promotion, operation, and administration of a ridesharing arrangement as defined in Section 1-176.1 of the Illinois Vehicle Code.

(30) The administration and operation of an organization for the purpose of assisting low-income consumers in the acquisition of utility and telephone services.

(31) Any purpose permitted to be exempt from taxation under Sections 501(c) or 501(d) of the United States Internal Revenue Code, as now in or hereafter amended.

(32) Any purpose that would qualify for tax-deductible gifts under the Section 170(c) of the United States Internal Revenue Code, as now or hereafter amended. Any such purpose is deemed to be charitable under subsection (a)(1) of this Section.

(33) Furnishing of natural gas on a cooperative basis.

(b) A corporation may be organized hereunder to serve in an area that adjoins or borders (except for any intervening natural watercourse) an area located in an adjoining state intended to be similarly served, and the corporation may join any corporation created by the adjoining state having an identical purpose and organized as a not-for-profit corporation. Whenever any corporation organized under this Act so joins with a foreign corporation having an identical purpose, the corporation shall be permitted to do business in Illinois as one corporation; provided (1) that the name, bylaw provisions, officers, and directors of each corporation are identical, (2) that the foreign corporation complies with the provisions of this Act relating to the admission of foreign corporation, and (3) that the Illinois corporation files a statement with the Secretary of State indicating that it has joined with a foreign corporation setting forth the name thereof and the state of its incorporation.

(Source: P.A. 94-738, eff. 5-4-06.)

ARTICLE 13. FOREIGN CORPORATIONS

(805 ILCS 105/113.05) (from Ch. 32, par. 113.05)

Sec. 113.05. Admission of foreign corporation. A foreign corporation organized not for profit, before it conducts any affairs in this State, shall procure authority so to do from the Secretary of State. A foreign corporation organized not for profit, upon complying with the provisions of this Act, may secure from the Secretary of State the authority to conduct affairs in this State. A foreign corporation shall not be denied authority by reason of the fact that the laws of the state under which such corporation is organized governing its organization and internal affairs differ from the laws of this State, and nothing in this Act contained shall be construed to authorize this State to regulate the organization or the internal affairs of such corporation.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/113.10) (from Ch. 32, par. 113.10)

Sec. 113.10. Powers of foreign corporation. No foreign corporation shall conduct in this State any affairs which a corporation organized under the laws of this State is not permitted to conduct. A foreign corporation which shall have received authority to conduct affairs under this

Act shall, until a certificate of revocation has been issued or an application for withdrawal shall have been filed as provided in this Act, enjoy the same, but no greater, rights and privileges as a domestic corporation organized for the purposes set forth in the application pursuant to which such authority is granted; and, except as in Section 113.05 of this Act otherwise provided with respect to the organization and internal affairs of a foreign corporation and except as elsewhere in this Act otherwise provided, shall be subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a domestic corporation of like character.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 105/113.15) (from Ch. 32, par. 113.15)

Sec. 113.15. Application for authority.

(a) A foreign corporation, in order to procure authority to conduct affairs in this State, shall execute and file in duplicate an application therefor, in accordance with Section 101.10 of this Act, and shall also file a copy of its articles of incorporation and all amendments thereto, duly authenticated by the proper officer of the state or country wherein it is incorporated. Such application shall set forth:

- (1) The name of the corporation, with any additions thereto required in order to comply with Section 104.05 of this Act together with the State or country under the laws of which it is organized;
- (2) The date of its incorporation and the period of its duration;
- (3) The address, including street and number, if any, of its principal office;
- (4) The address, including street and number, or rural route number, of its proposed registered office in this State, and the name of its proposed registered agent in this State at such address;
- (5) (Blank);
- (6) The purpose or purposes for which it was organized which it proposes to pursue in the conduct of affairs in this State;
- (7) The names and respective addresses, including street and number, or rural route number, of its directors and officers;
- (8) With respect to any foreign corporation a purpose of which is to function as a club, as defined in Section 1-3.24 of "The Liquor Control Act of 1934," as now or hereafter amended, a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors; and
- (9) Such additional information as may be necessary or appropriate in order to enable the Secretary of State to determine whether such corporation is entitled to be granted authority to conduct affairs in this State.

(b) Such application shall be made on forms prescribed and furnished by the Secretary of State.

(c) When the provisions of this Section have been complied with, the Secretary of State shall file the application for authority.

(Source: P.A. 92-33, eff. 7-1-01.)