

Dissolving Charitable Corporations with and without Remaining Assets

The process by which charitable corporations with no assets dissolve in Massachusetts has changed dramatically. Prior to its amendment, [G. L. chapter 180, §11A](#) required all charitable corporations, whether or not there were assets remaining, to dissolve only by order of the Supreme Judicial Court ("SJC"). The Act revised the statute to permit corporations with no remaining net assets to dissolve through an administrative dissolution petition filed with the AGO through the Division. The law with respect to charitable corporations *with* remaining net assets that seek to dissolve is unchanged, and those organizations must still obtain the approval of the SJC. Please note that the Act also authorizes the SJC to adopt rules permitting the AGO to administratively dissolve charitable organizations with remaining net assets below a threshold to be established by the Court. No such action has yet been requested or taken, however the AGO anticipates addressing this provision with the Court in the spring of 2011.

For no net asset dissolutions, the process for dissolution has been substantially revamped. One aspect of the new process is that all charities required to report to the AGO must submit a [Final Form PC \(Form PC-F\)](#). After completing the Form PC-F, you will know whether there are assets that will need to be transferred as part of the dissolution and what other documents are required.

An organization can choose the appropriate set of guidelines based upon whether it is a:

Dissolving Charitable Corporations with No Remaining Assets

NOTE: If upon dissolution your organization will have remaining assets to transfer, [click here](#).

A public charity seeking to dissolve, which, upon dissolution will have no remaining assets, may now dissolve with the approval of the Attorney General's Non-Profit Organizations/Public Charities Division ("AGO"). Please note this type of dissolution is permitted only for organizations that: 1) never operated nor received any funds; 2) currently have no remaining funds; or 3) will have no remaining funds or property after the payment of its liabilities including costs associated with its wind up and dissolution. These Guidelines set forth the procedures and requirements for providing notice to, and obtaining the approval of, the AGO.

Under the new law, the Supreme Judicial Court has the option to develop guidelines that would allow an organization that has assets below a certain amount to dissolve without a Court petition, but that has not happened yet. Therefore, if your organization will have assets in any amount, you must still file the Court petition.

Steps to Dissolve a Charity without Remaining Assets

Step One: Confirm and/or achieve compliance with all registration and filing requirements.

Confirm that the organization is in compliance with all [registration requirements](#) and [annual filing requirements](#) of the Attorney General. To verify status you may [check our website](#) or your organization's own records to assure it has registered and submitted complete annual reports (Form PC and appropriate attachments) to the AGO for each of the last four years. If unsure, we strongly urge you to call the AGO at 617-727-2200, x2101 to check the compliance status of your organization prior to proceeding further. Organizations that are not required to file annual reports, [such as churches](#) and those [exempt by statute](#), should make sure their financial records are in order and an accountant, treasurer, or other officer with financial responsibility for the organization should prepare a financial report summarizing the last three years' financial activities for submission to the AGO. If you have questions about the form or content for a 3-year financial report, please call the AGO at 617-727-2200, x2101.

Step Two: Take and confirm the required board action.

The organization should ensure that it has complied with notice and voting requirements for dissolving under [G.L. c. 180, §11A\(b\)](#) and obtained an officer's certificate attesting to the action and its adequacy. A sample officer's certificate is available [here](#).

Step Three: Complete a Form PC-F.

Once the organization's compliance is confirmed, a [Form PC-F](#) must be completed. No filing fee, 990/990-EZ/990-PF, or financial audit/review is required with the Form PC-F, but the AGO reserves the right to require additional financial and operational information if necessary or appropriate for its review. If additional information is required, you will be contacted. If more than a year has passed since the fiscal year covered by the last complete Form PC, a full Form PC, with all required attachments and filing fee, must be filed for that completed year in addition to the Form PC-F for the subsequent period.

Please note: organizations that are not otherwise required to report to the AGO, such as churches, do not complete a Form PC-F.

Step Four: Prepare the administrative dissolution petition and accompanying documents.

Once compliance is confirmed and the PC-F is completed, the organization should prepare an administrative dissolution petition. The petition should: 1) indicate why the public charity is dissolving, 2) affirm that the organization is in compliance with its registration and reporting requirements, 3) indicate that it followed the appropriate procedure to authorize the dissolution under [M.G.L. c. 180, §11A\(b\)](#), 4) affirm that all funds (if it received any) were used to support the organization's mission and that any disbursements were made consistent with that mission, and 5) acknowledge that the AGO's approval of the dissolution does not, in and of itself, operate to waive or release any financial liabilities to third parties that might otherwise exist. Sample documents are provided below for your use. To the extent possible please use these models and take care to include the organization's name and all other specified information. Please note, however, that these are samples only; they are not "fill-in-the-blank" forms. These documents require that you include all relevant circumstances related to the dissolution of the organization.

Step Five: Submit the administrative dissolution petition to the Division.

The administrative petition package should include all of the following:

1. [Completed Form PC-F](#) (with an original signature);
2. [Officer's Certificate](#) (with an original signature); and
3. [Administrative Petition](#) (with an original signature and date of submission).

Reminder: a public charity not required to register and submit annual reports, [such as a church](#) or those [exempt by statute](#), should include a financial report for its last three years of activity. If you have questions about this document, please call the Division at (617) 727-2200, x2120.

Please be sure to keep a copy of each document for your records and send the documents to:

Non-Profit Organizations/Public Charities Division
Office of the Attorney General
Dissolution Complaint Processing
One Ashburton Place
Boston, MA 02108-1518

Once the AGO receives the complete package, you will be contacted if the AGO has any questions. After the AGO's review, if all is in order, you will receive a Final Notice of Dissolution, indicating the organization is dissolved.

Step Six: Notifications.

Please inform all appropriate state and federal agencies of the dissolution, including the Secretary of the Commonwealth of Massachusetts and the Internal Revenue Service. If your organization operates in other states, those regulatory agencies should also be informed.

Dissolving Charitable Corporations with Remaining Assets

NOTE: If upon dissolution your organization will have no remaining assets to transfer, [click here](#).

A public charity seeking to dissolve and transfer its remaining assets to another public charity, must receive the prior approval of the Supreme Judicial Court ("SJC") for both the dissolution and the transfer. Before seeking the SJC's approval, the Attorney General's Non-Profit Organizations/Public Charities Division ("AGO") must receive notice of the proposed transfer and dissolution together with all required filings and forms. These Guidelines set forth the procedures and requirements for providing notice to the AGO, obtaining the AGO's assent and obtaining the approval of the SJC. Please note that under [M.G.L. c. 180, §11A\(d\)](#), as amended on July 19, 2010, the SJC may provide authority for the Attorney General, rather than the SJC, to approve remaining asset transfers and dissolve certain organizations with net assets of less than an amount to be determined by the SJC. The SJC has not yet issued such a rule or order. Until it does, all with-asset dissolutions and accompanying asset transfers must be filed with, and approved by, the SJC.

Steps to Dissolve a Charity and Transfer its Remaining Assets

Step One: Confirm and/or achieve compliance with all registration and filing requirements.

Confirm that the organization is in compliance with all [registration requirements](#) and [annual filing requirements](#) of the Attorney General. To verify status you may [check our website](#) or your organization's own records to assure it has registered and submitted complete annual reports (Form PC and appropriate attachments) to the AGO for each of the last four years. If unsure, we strongly urge you to call the AGO at 617-727-2200, x2101 to check the compliance status of your organization prior to proceeding further. Organizations that are not required to file annual reports, [such as churches](#) and those [exempt by statute](#), should make sure their financial records are in order and an accountant, treasurer, or other officer with financial responsibility for the organization should prepare a financial report summarizing the last three years' financial activities for submission to the AGO. If you have questions about the form or content for a 3-year financial report, please call the AGO at 617-727-2200, x2101.

Step Two: Take and confirm the required board action.

The organization should ensure that it has complied with notice and voting requirements for dissolving under [G.L. c. 180, §11A\(b\)](#) and obtained an officer's certificate attesting to the action and its adequacy. A sample officer's certificate is available [here](#). Please note that the entity to which the assets are transferred must have a charitable purpose similar to that of the dissolving organization or must agree to use the assets in accordance with the dissolving organization's purpose. The officer's certificate should specify the receiving entity or entities and articulate whether the assets and/or property are to be used for the organization's general purpose or are restricted to ensure that the assets and property are used in conformance with the dissolving organization's original mission. Please note, an original signature is required for this document, a copy is not acceptable.

Step Three: Complete a Form PC-F.

An organization required to report to the AGO, must complete and submit a [Form PC-F](#). No filing fee, 990/990-EZ/990-PF, or financial audit/review is required with the Form PC-F, but the AGO reserves the right to require additional financial and operational information if necessary or appropriate for its review. If additional information is required, you will be contacted. If more than a year has passed since the fiscal year covered by the last complete Form PC, a full Form PC, with all required attachments and filing fee, must be filed for that completed year in addition to the Form PC-F for the subsequent period.

Please note: organizations that are not required to report to the AGO, such as churches, do not complete a Form PC-F, but provide a three year financial report prepared by an accountant, treasurer or other officer with financial responsibility for the organization. If you have any questions about this document, please call the AGO at (617) 727-2200, x2101.

Step Four: Prepare the dissolution complaint and accompanying documents.

Once compliance is confirmed and the PC-F is completed, the organization should prepare a Judicial Dissolution Complaint, a Motion for Entry of an Interlocutory Order, and an Interlocutory Order. Sample documents are provided for your use. To the extent possible please use these models and take care to include the organization's name and all other specified information. Please note, however, that these are samples only; they are not "fill-in-the-blank" forms. These documents require that you include all of the relevant circumstances relating to the dissolution of the organization and the transfer of its remaining assets.

Step Five: Submit the dissolution complaint package to the Division.

The dissolution complaint package should include the following:

1. [Completed Form PC-F](#) (with an original signature);
2. [Officer's Certificate](#) (with an original signature);
3. Judicial Complaint Package which includes:
 - [Complaint for Voluntary Dissolution](#) (with an original signature but not yet dated);
 - [Motion for Entry of Interlocutory Order \(with original signatures by a representative of the dissolving charity and a representative of the receiving entity but not yet dated\)](#);
 - [Interlocutory Order \(unsigned\)](#);

Reminder: a public charity not required to register and submit annual reports, such as a church, does not complete a Form PC-F, but must include a report of its last three years of financial activity. If you have questions about the format or content of this document, please call the AGO at (617) 727-2200, x 2101.

Please be sure to keep a copy of each document for your records and send the documents to:

Non-Profit Organizations/Public Charities Division
Office of the Attorney General
Dissolution Complaint Processing
One Ashburton Place
Boston, MA 02108-1518

Once the AGO receives the complete package, you will be contacted if we have any questions. After the AGO's review, the original Judicial Dissolution Complaint with the AGO's assent, Motion of Entry of Interlocutory Order and Interlocutory Order will be returned to you for filing with the SJC.

Step Six: File with the SJC.

Upon your receipt of the AGO's assent and accompanying documents, fill in the blank date lines in the Judicial Dissolution Complaint and Motion for Interlocutory Order and, together with the required filing fee of \$315.00 made payable to the Commonwealth of Massachusetts, send the complete package to:

Maura S. Doyle
Clerk for the County of Suffolk
Supreme Judicial Court
John Adams Courthouse
One Pemberton Square – Room 1300
Boston, MA 02108-1707

The SJC will review the pleadings and, if all is in order, will authorize the transfer of assets through the Interlocutory Order. Please note that you may only transfer the funds and/or other property after you have received the SJC's Interlocutory Order and as directed by the Court.

Step Seven: Transfer the assets.

The SJC must receive confirmation that the assets have been transferred in conformance with the Interlocutory Order. Prepare the following two affidavits commemorating the transfer:

1. an [Affidavit of Compliance](#), signed by an officer of the dissolving organization, indicating what assets were transferred and when;
2. an [Affidavit of Receipt](#), signed by an officer of the organization (or organizations) designated to receive assets, indicating the type of assets, the value, and date of receipt of the transferred funds or other property.

Ensure the affidavits include all of the information relating to the facts of the transfer and include the docket number that was assigned by the SJC in the upper right corner.

Step Eight: Obtain the Division's Assent to the Entry of Judgment.

After the transfer is complete, submit the following to the Division:

1. a completed original [Affidavit of Compliance](#) (with an original signature);
2. a completed original [Affidavit of Receipt](#) (with an original signature); and
3. an undated original [Motion for Entry of Judgment](#) (with original signatures representing the dissolving entity and the receiving entity and the SJC docket number).

Send the documents in one package to:

Non-Profit Organizations/Public Charities Division
Office of the Attorney General
Dissolution Complaint Processing
One Ashburton Place
Boston, MA 02108-1518

Step Nine: Obtain the Final Judgment of the SJC.

After its review, if all is in order, the AGO will sign on the assent line and return the documents to you for filing with the SJC. Upon your receipt, please fill in the blank date line on the [Motion for Entry of Judgment](#), reflecting the date sent to the SJC. After its review, the SJC will issue a Notice of Docket Entry and Judgment that will be sent to you, indicating the charity is dissolved. You do not need to send a copy of this document to the AGO.

Step Ten: Notifications

Please inform all appropriate state and federal agencies of the dissolution, including the Secretary of the Commonwealth of Massachusetts and the Internal Revenue Service. If your organization operates in other states, those regulatory agencies should also be informed.

Additional Information

Where a signature is required, the organization must provide an original signature, copies are not permitted. Complaints are reviewed as received and it is beneficial if all of the documents are completed and submitted as described. If you have other questions about dissolving a charity with assets, please see our [Frequently Asked Questions About Dissolutions](#), call the Dissolution Hotline at 617-727-2200, x2410, or call the AGO at 617-727-2200, x2101.