

**Guide to Terms for Illinois Yearly Meeting Property and Tax Status
To Assist in Consideration of Incorporation and Property Issues
March, 2007**

(See 2006 Minute Book, pp. 29-35)

Trust and Corporation

Original Corporation—Illinois Yearly Meeting was established as a religious corporation, for “religious and school purposes,” in 1875; filed in 1876 in Putnam County, under 1872 enabling legislation. The modern corporation succeeded this in 2004.

Corporation—As directed by a minute of the 2003 business session, IYM incorporated in 4/04 as Illinois Yearly Meeting of the Religious Society of Friends, under the General Not For Profit Corporation Act of 1986, with the Illinois Secretary of State.

Those signing the original Articles of Incorporation (Minute 42, 8/03) were directed to be: the Clerk, the Assistant Clerk, and the two youngest trustees residing in the State of Illinois. The Treasurer was directed to serve as the Registered Agent.

Registered Agent—IYM correspondent with the Illinois Secretary of State’s office for the annual report of incorporation and a nominal annual payment. The renewal report form, known as the Not-for Profit Corporation Annual Report, is also updated with our current list of officers of the corporation.

Officers—Friends approved by the business session to be listed as the officers of the corporation. The most recent list is to be found in Minute 37, 2006.

Statement of Purpose—An attachment to the Articles of Incorporation explaining Illinois Yearly Meeting to the State of Illinois, with limited Quaker jargon. See p. 32 of 2004 Minute Book.

Bylaws—Method of orderly operations for a corporation, to be filed with the State of Illinois. State statute provides a model for start-up operations. IYM has been governed according to the principles and practice of the Religious Society of Friends. The proposed bylaws reflect this, based on our continuous business sessions and minutes since 1875, supplemented by associated use of Faith and Practice and Handbook documents. Our current draft bylaws are modeled after those of Philadelphia Yearly Meeting, with some Illinois-specific requirements added.

Trust—A trust is a device for holding property. IYM established a trust in 1875 for the original meetinghouse land parcel. Later, the campground and the west acre were added to the trust. A trust is laid down when all of its assets are transferred to others. (Note: a totally separate, earlier trust was established and is ongoing for the Clear Creek Cemetery).

Trustees—Those authorized to buy, hold and sell property for the IYM trust. These Friends have been appointed by the business session. The three currently serving are Richard Ashdown, Carol Bartles and Jerry Nurenberg. Helen Jean Nelson was serving as a fourth trustee at the time of her death in 2006. In addition to their legal duties, IYM trustees have provided substantial service in the upkeep of the property. Several trustees have also been asked to serve as officers of the corporation.

Ad Hoc Committee on Transition Issues—established at the 2006 session to examine various issues in the transition from a trustee structure to a corporation structure; currently convened by Tom Paxson.

IYM Structure and Authority

Annual Business Session—Discernment of Divine guidance by the body of Friends present in worship, to serve as the foundation of our Quaker business practice and authority of our organization. Decisions are recorded in minutes published in our annual Minute Book. The annual business session also serves as the annual meeting of the officers of the corporation.

Faith and Practice (Philadelphia Yearly Meeting 2002); IYM Handbook—Documents distilling our operations and practice as a Yearly Meeting.

Bylaws—Document to be filed with the State of Illinois to guide our orderly process as a corporation, see above section. It does not establish a parallel organization or separate annual meeting outside of our business session, but reflects IYM Quaker practice.

Officers—Nominated by Nominating Committee and approved by the business session. See the IYM Handbook for our current practice. Certain officers are authorized by the business session to serve on the annual list of officers of the corporation.

Monthly and Quarterly Meetings—are separate legal and financial entities from Illinois Yearly Meeting. They hold their own property.

Membership—Monthly meetings are accepted into IYM membership. Friends are members of the Religious Society of Friends and of IYM by being a member of a monthly meeting that is part of IYM. The proposed bylaws use the term “Participating Members” to describe those Friends present in a Quaker business or committee meeting doing the work of IYM.

Authority to Sign Contracts—those positions or named Friends so designated by a minute of the business session, IYM’s choice.

Illinois Governmental Relationships

Illinois Secretary of State—Records our corporation and annual report updates.

Illinois Attorney General—Under State law, registers IYM as a Charitable Organization, since we ask for money. IYM has not yet filed for registration and is overdue (3/07) due to being both a trust and a corporation.

Putnam County—IYM property is located in Putnam County. Property deeds and trust records are on file at the Putnam County Courthouse in Hennepin.

IYM Charitable and Tax Status

Note: Our tax status does not relate to being a trust or a corporation. It relates to being a church.

Church or Religious Organization—In IRS terminology, IYM is a *church*, rather than a religious organization.

Tax Exempt—churches are *automatically considered to be tax exempt*, if they meet the requirements of Section 501.c.3 of the Internal Revenue Code. Much practical advice for churches/meetings can be found in IRS Publication 1828.

Section 501.c.3—the section of the Internal Revenue Code pertaining to tax exempt organization status. A separate “letter ruling” may be applied for at any time. There are pros and cons to this formalization and at present (3/07) we are not pursuing this course of action.

The principles of 501.c.3 requirements are congruent with the purpose and operations of Illinois Yearly Meeting:

- Organized and operated exclusively for religious, educational, scientific or other charitable purposes;
- Net earnings may not inure to the benefit of any private individual or shareholder;
- No substantial part of its activity may be attempting to influence legislation;
- Organization may not intervene in political campaigns;
- The organization’s purposes and activities may not be illegal or violate fundamental public policy.