

## REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION FOR DOMESTIC NONPROFIT CORPORATIONS

Act 162, P.A. 1982; MCLA 450.2641; MSA 21.197(641)

Section 641, Act 162, P.A. 1982 provides a corporation may adopt restated articles for the purpose of integrating into a single instrument the provision of the articles then in effect and operative. Section 641 also provides the articles can be further amended by filing restated articles. Upon filing, the restated articles replace the articles and all subsequent amendments and changes and become the corporation's articles. The date of incorporation does not change, and unless the corporation is changing from a nonprofit to a profit, ecclesiastical or professional service corporation, filing of the restated articles does not change the act under which incorporated.

Section 642 lists information required in the restated articles as well as omissions which do not result in an amendment to the articles. Items 1 through 4 and Articles I through IV of form C&S 511 MUST be completed to effect filing of restated articles of incorporation.

Act 162 contains many additional provisions which may be contained in the articles. These provisions should appear as additional Articles beginning with Article V.

The document must be reviewed to determine that it substantially complies with the Act. For example, provisions must conform to law and be consistent with attorney general opinions, guidelines and policies; the name, if it is being changed, must be available for use; the document must be signed; fees must be paid; etc.

Following are specific items to be considered in determining whether or not the Restated Articles can be filed.

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
The document must be titled "Restated Articles of Incorporation"	NPA 642
Except for the corporate name, the document must be drafted in the English language. The corporate name must, however, be written in English letters or Arabic or Roman numerals.	NPA 132(1)
<b><u>ITEM 1</u></b>	
Must be completed with the name of the corporation. The name must be identical (spelling, abbreviations, and punctuation) to the name as it appears on the database.	NPA 642
<b><u>ITEM 2</u></b>	
Must be completed with the identification number for the name in Item 1.	
<b><u>ITEM 3</u></b>	
Must reflect any former name the corporation has had. This should be verified on the database. If there were no former names, the space may be blank.	NPA 642
<b><u>ITEM 4</u></b>	
Must be completed with the date the original articles of incorporation were filed. This should be verified on the database.	NPA 642

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p align="center"><b><u>ARTICLE I</u></b></p> <p>If the name is being changed, the new name must be checked for availability. The following must be considered in doing so:</p> <ol style="list-style-type: none"> <li>1. The corporate name may not indicate or imply that the corporation is engaged in an activity other than that provided in the purposes.</li> <li>2. The corporate name must be distinguishable from any active name of a corporation, limited partnership, or limited liability company, including:               <ol style="list-style-type: none"> <li>a) a corporate name</li> <li>b) a limited partnership name</li> <li>c) a limited liability company name</li> <li>d) an assumed name for a corporation, limited partnership or limited liability company</li> <li>e) a reserved name</li> <li>f) a name registered by a foreign corporation</li> </ol> </li> <li>3. The corporate name shall not contain a word or phrase or the abbreviation or derivative of a word or phrase, which is prohibited or restricted by any other state statute unless the restriction is complied with.</li> <li>4. Various state and federal statutes prohibit or restrict the use of certain words or abbreviations in names of corporations. The NAMES program in the computer system searches for any of these words which have been identified when inquiry regarding name availability is made and displays a message that the proposed name contains a word or abbreviation which may be prohibited or restricted from use.</li> <li>5. BIDCO (Business and Industrial Development Corporation)</li> <li>6. The word "medicare" could be misleading in a corporate name.</li> <li>7. A foundation may, but is not required to, use the word "foundation" in its corporate title.</li> </ol>	<p>NPA 212(1)(a)</p> <p>NPA 212(1)(b) Guideline adopted 1-28-83</p> <p>Policy Statement C-40</p> <p>NPA 212(1)(c)</p> <p>See RESTRICTED WORD list Policy Statement C-48</p> <p>Policy Statement C-15 See separate BIDCO section</p> <p>Special Opinion 184 42 USC 1320b-10</p> <p>NPA 212(3)</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<b><u>ARTICLE II</u></b>	
<p>1. The purpose for which the corporation is organized. An "all purpose" statement to the effect the corporation may engage in any activity within the purposes for which corporations may be formed is not permitted.</p>	<p>NPA 202(b) Policy Statement C-8 Policy Statement C-10 Policy Statement C-15 Policy Statement C-33 External policy re: Banks and Fiduciaries External policy re: MSHDA Release No. 93-1-C A.G. Opinion 6770 dated 9-17-93 (Our No. 269)</p>
<p>2. Educational corporations must state their educational system and include the degrees, honors, diplomas, or certificates which will be granted. If the purposes are amended, approval from the Department of Education is required before filing can be completed.</p>	<p>NPA 202(b) GCA 173 See Separate EDUCATIONAL CORPORATIONS section</p>
<p>3. Corporations organized for the purpose of teaching religious beliefs and principles are ecclesiastical corporations incorporated pursuant to Sections 178 through 185, Act 327, P.A. 1931.</p> <p>Section 186 of Act 327, P.A. 1931 concerns ecclesiastical corporations in the form of Sunday schools and religious societies, other than a church, whose object is the teaching of religious principles or the associating together for religious work. Although considered ecclesiastical corporations, their articles are drafted pursuant to Act 162, P.A. 1982 by using form C&amp;S 502. C&amp;S 511 is used to restate their articles.</p> <p>In addition to the information required by Act 162, P.A. 1982, the articles of ecclesiastical corporations pursuant to Section 186 of Act 327 must contain the following:</p> <p>a) A statement that it is an ecclesiastical corporation pursuant to Section 186, Act 327, P.A. 1931. (The database should reflect the act of incorporation as 162-1982 and 327-1931.)</p> <p>b) Any special conditions or distinguishing principles upon which the corporation is founded.</p> <p>c) The name of the organized church with which it is affiliated, if any.</p> <p>d) A statement of the extent to which the organized church may exercise superintendence over the affairs of or discipline of the members of the corporation.</p>	<p>See separate review procedures for C&amp;S 503 and 512</p> <p>GCA 186</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
4. Public body corporations	See separate section
5. HOSPITALS:  a) Nonprofit hospitals and other corporations incorporated under Act 162, P.A. 1982 may provide medical care services through employed physicians.  b) A hospital authority provided for in Act 47, P.A. 1945 can sell, lease, or transfer a public hospital owned by the hospital board to a nonprofit corporation incorporated under Act 162, P.A. 1982. The purposes of the corporation must be "to own and operate a hospital".	AG Opinion 6770 dated 9-17-93 (Our No. 269)  Section 9(2) and (14), Act 47, P.A. 1945
6. LEGAL SERVICES:  a) A nonprofit corporation may incorporate for the purpose of providing legal services to indigent persons without charge, and, in aid of furnishing such services, may lawfully accept federally funded grants.  b) Additional information is required to determine if pre-paid legal services constitute insurance.	Special Opinion 368 Policy Statement C-8 Act 354, P.A. 1917  Special Opinion 340 Special Opinion 319
7. A nonprofit corporation whose purposes fall within the foundation sections of statute must incorporate as a foundation.  It is not sufficient for the language in Section 212(3) to be reflected as the purposes of a foundation. The purposes of a foundation must provide for the receiving and administering of funds and describe the specific activities for which the funds will be used. These activities must fall within the categories reflected in Section 212(3).	Special Opinion 142
8. A nonprofit corporation may be organized for the purpose of receiving and disbursing funds collected by the members to be used exclusively for a defense fund and needs.	Special Opinion 288
9. A nonprofit corporation may not be formed for the purpose of taking memberships from owners of animals and then upon the death of an animal, the other member owners would be billed an assessment previously agreed upon which is then forwarded to the member owner who suffered the loss. The foregoing purposes would be that of an insurer and would come under the jurisdiction of the Insurance Bureau.	Special Opinion 293
10. So long as no local government unit funds are used for financing, a nonprofit corporation can be formed to carry out the purposes of Sections 1203 and 1204 of the Emergency Medical Services Act of 1973 (U.S. Public Law 93-154).	Special Opinion 301

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
11. State universities created by the Constitution may form corporations.	Special Opinion 318
12. Foreign trade zone can be formed as corporations.	Special Opinion 342
<p>13. FIDUCIARIES:</p> <p>a) Section 51 of the Banking Code of 1969 (MCLA 487.351) provides that a non-banking corporation shall not act as a fiduciary. Articles which infer a corporation is operating as a bank or is engaging in banking activities will not be filed.</p> <p>Documents for corporations whose purposes infer the corporation may be engaging in a fiduciary activity other than banking may be filed. These corporations will be advised by letter of the requirements of Section 51 of the Banking Code. The letter should be mailed to the remitter of the form with the filed document. A copy of the filed document, including the letter, must also be forwarded to the Financial Institutions Bureau. The examiner is responsible for seeing that the letter is sent and for the copy of the articles and letter being forwarded to the Financial Institutions Bureau.</p> <p>b) Section 501a, Act 642, P.A. 1978, the probate code (MCLA 700.501a) states a court may appoint a nonprofit corporation incorporated under Act 162, P.A. 1982 as a guardian, limited guardian, or conservator.</p> <p>Articles of incorporation which state that the corporation will act in a fiduciary capacity as a guardian or conservator will be accepted so long as reference to appointment by the probate court is included.</p>	<p>Section 501A, Act 642, PA 1978</p>
14. A private nonprofit corporation incorporated by private individuals may conduct an economic development program.	AG Opinion 6563 dated 1-26-89 (our No. 260)
<b><u>ARTICLE III</u></b>	
If organized on a stock basis:	
1. The number of shares the corporation wishes to be able to issue.	NPA 202(c) 303(1)
2. If there is more than one class of shares, the number of shares in each class and the class title are required.	NPA 202(d)
3. If there is more than one class of shares, a statement of the relative rights, preferences and limitations of the shares of each class, to the extent they have been determined, is required.	NPA 202(d) 303(2) Policy Statement C-1
4. All shares in a class must be identical to every other share of the same class.	NPA 303(2)

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p>If organized on a nonstock basis:</p> <ol style="list-style-type: none"> <li>1. The value and a description of the real and personal property owned.</li> <li>2. The general scheme of financing the corporation. This cannot include appropriated public money. Public money is funds appropriated by federal, state, or local governments and are collected through taxes. Grants, contributions, membership fees or assessments, contracts, and funds received as a result of services provided, are not considered public money.</li> </ol> <p>A corporation incorporated to promote convention business and tourism may be financed by assessing not more than 2% of room charges.</p> <ol style="list-style-type: none"> <li>3. A statement designating whether a corporation is organized on a membership or on a directorship basis.</li> </ol>	<p>NPA 202(e)</p> <p>NPA 202(e) AG Opinion 5333 dated 7-12-78 (Our No. 275) AG Opinion 5212 dated 8-17-77 (Our No. 272)</p> <p>Act 395, PA 1980 amended by Act 59, PA 1984.</p> <p>NPA 202(F) 1131</p>
<b><u>ARTICLE IV</u></b>	
<ol style="list-style-type: none"> <li>1. The address of the registered office must be completed. This address is a physical location and must include number, street, city and zip code. The route, suite, or apartment number must also be included if applicable. Except for the exceptions cited in policy statement C-32, this address must be in Michigan and cannot be a post office box.</li> <li>2. It is permissible to have a mailing address of the registered office that differs from the street address. Except for the exceptions cited in policy statement C-32, the mailing address must be a Michigan address. A post office box is permitted.</li> <li>3. The name of the resident agent must be completed. Each domestic corporation must have and continuously maintain a resident agent, who must be one of the following: <ol style="list-style-type: none"> <li>a) An individual resident of Michigan whose business office or residence is identical with the registered office.</li> <li>b) A domestic corporation having a business office identical with the registered office.</li> <li>c) A foreign corporation authorized to transact business in Michigan having a business office identical with the registered office.</li> </ol> </li> <li>4. The following are not acceptable as resident agents: <ol style="list-style-type: none"> <li>a) Dissolved or withdrawn corporations</li> <li>b) Limited partnerships</li> <li>c) Partnerships generally</li> </ol> </li> </ol>	<p>NPA 202(g) 241(a) Policy Statement C-32</p> <p>NPA 202(g) Policy Statement C-32</p> <p>NPA 202(g) 241(b)</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p>d) Limited liability companies</p> <p>e) Limited liability partnerships</p> <p align="center"><b><u>ADDITIONAL ARTICLES</u></b></p> <p>This space may be used to continue previous Articles or to reflect additional provisions permitted or required to be part of the articles of incorporation. Examples of such provisions are:</p> <p>1. Corporate term, if other than perpetual.</p> <p>If the term is a specific number of years, compute the term expiration date from the date of filing the articles of incorporation or, if there was an effective date, from the effective date.</p> <p>If the term is identified as being "extended", compute the new term date from the current term date.</p> <p>2. Proposed compromise, arrangement, or reorganization between corporation and creditors or shareholders.</p> <p>3. Limited Liability</p> <p>a) Exemption from personal liability of volunteer directors or volunteer officers. The provision may not provide for exemption from liability beyond that provided for in the Act nor may it provide for limiting the liability on a date earlier than the effective date of the restated articles if they include amendments, or the effective date of the document which originally contained the provision if the restated articles are an integration only. The provision may not include a reference to the Uniform Management of Institutional Funds Act. Provisions in the Nonprofit Act do not affect, amend, expand or place limits on other statutes. Unless the Management of Institutional Funds Act is amended to provide for limitations or exemptions of liability of directors, the reference to that Act is not acceptable in a provision providing for limiting the liability of a volunteer director.</p> <p>b) Corporation assumes liability for volunteer directors. This statement may include any date between 1-1-88 and the current date.</p> <p>c) Corporation assumes liability for volunteer directors, volunteer officers, and other volunteers.</p> <p>4. By-laws</p> <p>5. Powers</p> <p>6. Dividends</p>	<p>NPA 202(i) AG Opinion dated 3-24-33 (Our No. 121) Special Opinion 170 Special Opinion 291</p> <p>NPA 204</p> <p>NPA 209(c)(d) &amp; (e) 541</p> <p>NPA 209(c)</p> <p>NPA 209(d)</p> <p>NPA 209(e)</p> <p>NPA 231</p> <p>NPA 261</p> <p>NPA 301(3)</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<b>7. SHARES / SHAREHOLDERS</b>	
a) Dividends	NPA 301(3)
b) Transfer of shares	NPA 303(4)
c) Rules of qualification and government of shareholders	NPA 303(5)
d) Shareholder eligibility	NPA 313(1)
e) Nonassessability of shares	NPA 315(4)
f) Redemption of shares	NPA 361 363
g) Cancellation of shares	NPA 371(1) 371(3)
h) Participation in meeting of shareholders by conference telephone or similar communication equipment	NPA 405
i) Taking corporate action without a meeting	NPA 407
j) Quorum at meeting	NPA 415
k) Voting	
1) each share entitled to 1 vote unless the articles or bylaws provide that each shareholder shall have only 1 vote regardless of the number of shares held. The articles can provide, in the case of 2 or more classes, that a class shall not have voting rights. They cannot provide that all shares are non-voting.	NPA 303(3)
2) voting as a class	NPA 442
3) cumulative (for directors only)	NPA 451
4) supermajority (vote of more than a majority of issued shares required)	NPA 455
5) proxies	NPA 421 1144(1)
l) Treasury shares	
1) issuance of	NPA 481
2) disposition of	NPA 312(2)
3) reacquired shares classified as	NPA 371(2)

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
m) Pre-emptive rights	NPA 481
<b>8. MEMBERS / MEMBERSHIP</b>	
a) Prescribing the number, qualifications, liquidation, rights, preferences and limitations on members.	NPA 304(1) 304(2) 1133
b) Transfer of membership	NPA 304(6)
c) Rules of qualification and government of members	NPA 304(7)
d) Membership eligibility	NPA 313(1)
e) Redemption of member capital	NPA 1139(1) & (2)
f) Cancellation of membership	NPA 1139(4) & (7)
g) Bondholder rights of membership	NPA 391
h) Participation in meeting of members by conference telephone or similar communication equipment	NPA 405 521(3)
i) Taking corporation action without a meeting	NPA 407
j) Quorum at meeting	NPA 415
k) Voting by members	
1) each member entitled to 1 vote. (The articles can provide, in the case of 2 or more classes, that a class shall not have voting rights. They cannot provide that all members are non-voting.)	NPA 304(3)
2) by members of condominium associations	NPA 304(4)
3) by members of homeowners or property owners associations	NPA 304(5)
4) cumulative (for directors only)	NPA 451
5) supermajority (vote of more than a majority of members required)	NPA 455 1145
6) proxies	NPA 421 1144(1)
7) voting as a class	NPA 442 443 1144(2)
l) Pre-emptive rights	NPA 481

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
9. DIRECTORS	
a) Qualifications of directors	NPA 501(1)
b) Minors may not act as incorporators, officers, or directors of corporations	AG Opinion 5893 dated 5-8-81 (Our No. 254) Special Opinion 105
c) Fixing number of directors	NPA 505(1)
d) Term of office of directors	NPA 505(2)
e) Election or appointment of directors	NPA 505(2) 505(3)
f) Division of directors into classes	NPA 506
g) Removal of directors	NPA 511
h) Filling vacancies on board of directors	NPA 515
i) Board of directors action without a meeting	NPA 525
j) Quorum at meeting of directors	NPA 523
k) Committees of board of directors	NPA 527
l) Indemnification (Cannot exceed statutory limits as to who, the types of actions, etc. which can be covered)	NPA 561
m) Weighed votes not permitted	Special Opinion 251
n) Participation in meeting by conference telephone or similar communication equipment	NPA 521(3)
10. OFFICERS	
a) Election or appointment of officers	NPA 531
b) Minors may not act as incorporators, officers, or directors of corporations	AG Opinion 5893 dated 5-8-81 (Our No. 254)
c) Indemnification (cannot exceed statutory limits as to who, the types of action, etc. which can be covered)	NPA 561
11. Dissolution	NPA 805

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p>12. Cooperatives</p> <p>    a) Additional information required</p> <p>    b) Net savings</p> <p>    c) Dispute resolution body</p>	<p>See separate COOPERATIVES section</p> <p>NPA 1121</p> <p>NPA 1135</p> <p>NPA 1147</p>
<p>13. Other</p> <p>    a) Information required by the Internal Revenue Service for tax exempt corporation</p> <p>    b) Property owned and occupied by nonprofit religious or educational organizations and used exclusively for religious or educational purposes, as defined by law, are exempt from real and personal property taxes.</p> <p align="center"><b><u>EFFECTIVE DATE</u></b></p> <p>An effective date, not more than 90 days after the date of receipt, is permitted. The desired effective date must be reflected in the body of the document. Inserting it in the "Bureau Use Only" area is not sufficient.</p> <p align="center"><b><u>ITEM 5</u></b></p> <p>5a) Must be completed to reflect the date of adoption if restated articles are an integration only and do not further amend the articles of incorporation.</p> <p>5b) Must be completed to reflect the date of adoption and whether adoption was at a meeting or by written consent.</p> <p align="center"><b><u>SIGNATURES</u></b></p> <p>Must be signed in ink by</p> <p>5a) an authorized officer or agent.</p> <p>5b) the chairperson or vice-chairperson of the board of directors, president or vice-president.</p> <p>The fiduciary, or a majority of them if there are more than one, if the corporation is in the hands of a receiver, trustee or other court appointed officer.</p> <p>A person may sign on behalf of an individual if he has a specific power-of-attorney to do so. An indication that the signature is that of an attorney-in-fact is not required.</p>	<p>State Constitution Art. 9, Sec. 4</p> <p>NPA 131(2) Policy Statement C-19</p> <p>NPA 641(2) 642</p> <p>NPA 641(2) 642</p> <p>NPA 641</p> <p>NPA 132(2)</p> <p>Procedure re: Signatures</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p align="center"><b><u>FEES</u></b></p> <p>Filing fee - \$10.00</p> <p align="center"><b><u>MISCELLANEOUS</u></b></p> <p>1. The act states it does not apply to certain types of entities. Consequently, the form cannot be used by any of the following:</p> <ul style="list-style-type: none"> <li>Insurance companies (see Insurance Code of 1956)</li> <li>Surety companies (see Insurance Code of 1956)</li> <li>Credit unions (see Banking Code)</li> <li>Savings and loan associations (see Banking Code)</li> <li>Fraternal benefit societies (see Insurance Code of 1956 and NPA 262)</li> <li>Railroad, bridge and tunnel companies (see Act 354, PA 1993)</li> <li>Union depot companies</li> <li>Banking corporations (see Banking Code)</li> </ul> <p>The Act also provides that unless otherwise provided or inconsistent with the act under which a corporation is formed, it does apply. The form may be used by the following provided the Act under which the corporation is formed does not provide for restatement or amendment of articles:</p> <ul style="list-style-type: none"> <li>Cooperative corporation classified as nonprofit by section 98 of Act 327, P.A. 1931.</li> <li>Secret society or lodge (see Fraternal Associations)</li> <li>Trustee corporations (see General Corporation Act)</li> <li>Ecclesiastical corporations (see General Corporation Act)</li> <li>Public building corporations (see General Corporation Act)</li> <li>Special acts</li> </ul>	<p>NPA 1060(I) Policy Statement C-9 Policy Statement C-33</p> <p>NPA 123(3)</p> <p>NPA 123(1) &amp; (2)</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p>2. A nonprofit corporation can change to a profit corporation by filing a version of restated articles which combines parts of C&amp;S 510 and 511. The first page through Item 4, the adoption (Item 5) and signatures must conform to the requirements of Act 162, P.A. of 1982. The contents of the restated articles, Articles I through IV and any additional provisions, must conform to the requirement of Act 284, P.A. 1972 for business corporations or Act 192, P.A. 1962 for professional service corporations.</p> <p>All annual reports and fees due as a nonprofit corporation must be filed and paid before restated articles can be filed to change from nonprofit to profit.</p> <p>Charitable purpose corporations must obtain approval of the Office of Attorney General before filing of the restated articles can be completed.</p> <p>Approval of the Attorney General is not required for religious corporations or for corporations which state in the certificate or in an accompanying letter that they are not charitable corporations. Notification in letter form that a corporation is not charitable becomes part of the certificate.</p>	<p>NPA 601(2)</p> <p>Policy Statement C-51</p> <p>External policy re Charitable Trusts</p>
<p>3. A nonprofit corporation can change to an ecclesiastical corporation by filing a version of restated articles which combines parts of C&amp;S 511 and 512. The first page through Item 4, the adoption (Item 5) and signatures must conform to the requirements of Act 162, P.A. 1982. The contents of the restated articles, Articles First through Fourth and any additional provisions, must conform to the requirements of Sections 178 through 185, Act 327, P.A. 1931.</p>	
<p>4. Incorporators are not required to be named in restated articles. If they are, they must be the same as those named in the articles of incorporation.</p> <p>Section 201 provides one or more persons may be incorporators by signing and filing articles of incorporation. Section 223 provides a majority of incorporators shall select a board of directors and may adopt bylaws. Once the articles are filed and the board of directors has been selected, the role of incorporators ends. Consequently, incorporators cannot be changed by filing restated articles.</p> <p>If the articles of incorporation are in error in naming incorporators, a certificate of correction can be filed to add, remove, or otherwise correct information related to incorporators.</p>	<p>NPA 642</p>
<p>5. The phrase "except as otherwise provided in the articles of incorporation" or "unless otherwise provided in the articles" is interpreted to mean the provision is not mandatory and the articles may state the provision does not apply.</p>	<p>Special Opinion 274</p>

**REVIEW PROCEDURES FOR C&S 511 - RESTATED ARTICLES OF INCORPORATION  
FOR DOMESTIC NONPROFIT CORPORATIONS**

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
6. Payment of death benefits.	Special Opinion 241
7. The Small Business Investment Act allows a small business investment company to incorporate as a profit or nonprofit corporation or may organize as a limited partnership.	Special Opinion 282 15 USC 681
8. A nonprofit corporation may borrow money from its members and pay interest on those loans.	Special Opinion 279
9. A nonprofit corporation may sell real property to its shareholders, among others, if the nonprofit corporation receives the fair market value of the real estate in consideration for the conveyance and if the proceeds from the sale are used for lawful corporate purposes only.	Special Opinion 289
10. It is illegal for a trustee to engage in self-dealing in the State of Michigan. Therefore, the articles of incorporation may not contain a provision which results in a trustee (officer or director) dealing with himself (a corporation). It is a breach of the duty of loyalty and thus improper and illegal.	Special Opinion 302
11. Section 128 of the Insurance Code of 1956 (500.128) provides that the Insurance Code does not apply to nonprofit corporations or organizations which are purely philanthropic or social and which may issue death benefits of \$150.00 and sick benefits of \$6.00 per week upon compliance with the provisions of the Corporation Code. The important thing that Section 128 says is simply that they are not insurance corporations and do not have to comply with the requirements of the Insurance Code; however, this does not mean that they are able to do these things unless the Corporation Act permits them to do the same. The Corporation Act does not permit this.	Special Opinion 241