

## REVIEW PROCEDURES FOR C&S 531 - CERTIFICATE OF DISSOLUTION

Act 284, P.A. 1931; MCLA 450.1804; MSA 21.200(804)

Act 162, P.A. 1982; MCLA 450.2804; MSA 21.197(804)

Section 804 of Act 284, P.A. 1972 provides for dissolution by action of the board of directors and shareholders. Section 804 of Act 162, P.A. 1982 similarly provides for dissolution but by action of shareholders, members, or directors. Form C&S 531 may be used for this purpose.

The document must be reviewed to determine that it substantially complies with the Act. For example, it must conform to law and be consistent with attorney general opinions, guidelines and policies; it must be signed; fees must be paid; etc.

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

SPECIFIC DOCUMENT ITEMS	STATUTORY CITE
<p>Except for the corporate name, the document must be in the English language. The corporate name need not be English words, but must be written in English letters or Arabic or Roman numerals.</p>	<p>BCA 132(1) NPA 132(1)</p>
<p style="text-align: center;"><b><u>ITEM 1</u></b></p>	
<p>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.</p>	<p>BCA 803(2)(a) NPA 803(2)(a)</p>
<p style="text-align: center;"><b><u>ITEM 2</u></b></p>	
<p>Must be completed with the identification number for the name in Item 1.</p>	
<p style="text-align: center;"><b><u>ITEM 3</u></b></p>	
<p>Must reflect the registered office address as it appears on the database.</p>	<p>BCA 241 NPA 241</p>
<p style="text-align: center;"><b><u>ITEM 4</u></b></p>	
<p>Must indicate if the dissolution was approved at a meeting or by written consent. If it was done at a meeting, the date and place of the meeting are required.</p>	<p>BCA 804(7)(b) BCA 407(1) or (2) BCA 805 BCA 488(1)(g) NPA 804(6)(b) NPA 407(1) or (3)</p>
<p>Dissolution pursuant to an agreement under section 488 is effected by executing and filing a certificate of dissolution on behalf of the corporation, stating the name of the corporation and that the corporation is dissolved pursuant to an agreement under section 488.</p>	
<p style="text-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>BCA 131(3) NPA 131(2) Policy Statement C-19</p>

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<b><u>SIGNATURE</u></b>	
Must be signed by:	
Profit Corporations: Any authorized officer or agent.	BCA 132(2)
Nonprofit and Professional Service Corporations: In ink by the chairperson or vice-chairperson of the board of directors, president or a vice-president of the corporation.	NPA 132(2)
All Corporations:	
1) 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.	
2) A person may sign on behalf of an individual if they have a specific power-of-attorney to do so. An indication that the signature is that of an attorney-in-fact is not required.	Procedures re: Signatures
<b><u>FEES</u></b>	
Filing fee - \$10.00 (Nonrefundable for profit corporations)	BCA 1060(1)(g) & 1060(2) NPA 1060(1)(g) Policy Statement C-9 Policy Statement C-5 Policy Statement C-33
<b><u>MISCELLANEOUS</u></b>	
1) TAX CLEARANCE	
a) A final tax clearance must be obtained from the Michigan Department of Treasury. A "conditional" tax clearance is not sufficient.	Use Tax Act (MCLA 205.95) Income Tax Act of 1967 (MCLA 206.451)
b) A tax clearance is not acceptable if it is more than a year old.	
c) Tax clearances are not required for ecclesiastical corporations.	
2) ATTORNEY GENERAL APPROVALS	
a) Written approval from the Attorney General consenting to dissolution is required for all nonprofit charitable purpose corporations. The Attorney General's office determines whether or not an approval is required; the Bureau does not make that determination.	Act 169, P.A. 1965 (MCLA 450.251)

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<p>b) Examples of purposes requiring approval of the Attorney General at the time of dissolution include</p> <ol style="list-style-type: none"> <li>1) language incorporating Section 501(c)(3) of the Internal Revenue Code or any similar language.</li> <li>2) whenever the purpose clause contains the word "charitable" or any similar language. This is done even when the purposes are religious.</li> <li>3) the purpose clause indicates the corporation is formed to benefit some class of the public, and the classes of an indefinite number. This is not applicable if the class to be benefited is restricted to members of the corporation.</li> <li>4) the purposes are unclear as to whether any of the above apply.</li> </ol> <p style="padding-left: 40px;">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>c) An approval from the Attorney General is not acceptable if it is more than 9 months old.</p>	Office memorandum dated 10-23-81
<p>d) Approval from the Attorney General is not required for ecclesiastical corporations.</p>	Section 1, Act 169, P.A. 1965 External Policy re Charitable Trusts
<p>e) All cemetery corporations, profit and nonprofit, must obtain approval from the Attorney General when dissolving.</p>	External Policy re Charitable Trusts MCLA 456.106a per Mr. Irving Feldman, Assistant A.G. on 9-15-65 MCLA 450.251 per Mr. Ed Bladen, Assistant A.G. in conversation with Polly Detzler on 2-20-70
<p>f) Moose lodges are fraternal and noncharitable in nature. They do not require Attorney General approval to dissolve.</p>	Letter from Attorney General dated 6-1-77
<p>g) A "conditional" approval from the Attorney General is acceptable.</p>	Office memorandum dated 12-2-87
<p>3) The only previously dissolved corporations which can file a certificate of dissolution are those nonprofit charitable purpose corporations which have already obtained approval from the Attorney General. All others must first reinstate or renew their existence.</p>	Special Opinion 207 dated 7-21-70

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<p>4) Shareholders can take action to dissolve a corporation by written consent as provided in section 407; however, this does not waive the necessity of the separate action which must be taken by the board of directors pursuant to Section 804.</p> <p>5) Section 855 provides the manner in which any assets remaining after dissolution are to be distributed. In the case of profit corporations, distribution is made to shareholders. In the case of nonprofit corporations, if there is no such provision, any remaining assets escheat to the state.</p>	<p>Special Opinion 255 dated 3-12-73</p> <p>BCA 855 NPA 855</p>