



This article presents general guidelines for Ohio nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.

LEGAL ALERT

Act Now: Ohio Nonprofits Risk Permanent Loss of Corporate Status

Ohio has changed the rules, and the stakes are now much higher for nonprofits. If a nonprofit misses its Statement of Continued Existence filing for two years, the Secretary of State can now permanently cancel the organization's corporate registration. In the past, fixing this was simple. Now, once a nonprofit is permanently cancelled, there is no path to reinstatement. This change in Section 1702 of the Ohio Revised Code puts every organization at real risk if filings are overlooked.

Why does this matter?

If a nonprofit's corporate existence is permanently cancelled, there is no easy way to fix it - the most correct way is to create an entirely new entity, apply for tax-exempt status, and distribute the assets of the old entity to the new one. This is highly problematic because there are likely to be tax gaps, and these steps all cost money. For reference, the IRS is also running approximately 6 - 12 months in issuing determinations, so there also will be timing uncertainty for many nonprofits.

What should you do?

We recommend that you take these steps now to protect your organization:

- (1) Check your nonprofit's corporate status with the Ohio Secretary of State. If your Statement of Continued Existence is due, file it immediately. If it is not due yet, note the exact deadline.
- (2) Make sure someone is actively watching this filing deadline, which comes up every five years. A simple safeguard is to put this and other key compliance dates on the calendars of multiple staff and board members.
- (3) Confirm that your statutory agent is current and dependable. If the listed agent is outdated or no longer connected to your organization, update the information with the Secretary of State. Many nonprofits discover that their agent is a former executive director or board member and miss notices as a result.

To check your nonprofit's current corporate status, filing due date, and current statutory agent, see [here](#).



Resources

For more information on the requirement to file a Statement of Continued Existence and on best practices around statutory agents, see [here](#).

***Thank you to [Megan Okun](#) at Taft for her help in drafting this Legal Alert.**

Need Legal Advice?

If you are a PBPO client and need assistance with the filing or a change in statutory agent, contact your PBPO staff attorney.

Not a Client? Apply to become a client by submitting a [Request for Legal Assistance](#) form online, or contact us at info@pbpohio.org.