

Title 15

**SUBPART C**  
NONPROFIT CORPORATIONS

**Article**

- A. Preliminary Provisions
- B. Domestic Nonprofit Corporations Generally
- C. Foreign Nonprofit Corporations

**Subpart Heading.** The heading of Subpart C was added December 21, 1988, P.L.1444, No.177, effective October 1, 1989.

ARTICLE A  
PRELIMINARY PROVISIONS

**Chapter**

51. General Provisions

**CHAPTER 51**  
GENERAL PROVISIONS

**Sec.**

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**Enactment.** Chapter 51 was added as Chapter 71 November 15, 1972, P.L.1063, No.271, effective in 90 days. Chapter 71 was renumbered to Chapter 51 December 21, 1988, P.L.1444, No.177, effective October 1, 1989.

**5101. Short titles.**

(a) **Title of subpart.**--This subpart shall be known and may be cited as the Nonprofit Corporation Law of 1988.

(b) **Prior consolidated statute.**--Former 15 Pa.C.S. Pt. III Art. B (relating to domestic nonprofit corporations), added by the act of November 15, 1972 (P.L.1063, No.271), shall be known and may be cited as the Nonprofit Corporation Law of 1972.

(c) **Prior law.**--The act of May 5, 1933 (P.L.289, No.105), shall be known and may be cited as the Nonprofit Corporation Law of 1933.

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989)

**5102. Application of subpart.**

(a) **General rule.**--Except as otherwise provided in this section, in the scope provisions of subsequent provisions of this subpart or where the context clearly indicates otherwise, this subpart shall apply to and the words "corporation" or "nonprofit corporation" in this subpart shall mean a domestic corporation not-for-profit. See section 101(b) (relating to application of title).

(b) **Coordination with other laws.**--Where any other provision of law contemplates notice to, the presence of, or the vote, consent or other action by the members, directors or officers of a nonprofit corporation, without specifying the applicable corporate standards and procedures, the standards and procedures specified by or pursuant to this subpart shall be applicable.

(c) **Exclusion.**--This subpart shall not apply to a fraternal benefit society, whether proposed or existing, except as otherwise expressly provided in this subpart or as otherwise provided by statute applicable to the fraternal benefit society.

(d) **Cooperative corporations.**--This subpart shall apply to a domestic corporation not-for-profit organized on the cooperative principle only to the extent provided by Subpart D (relating to cooperative corporations).

(e) **Nonprofit corporation ancillaries.**--The domestic corporation provisions of this subpart shall apply to any of the following corporations, whether proposed or existing, except as otherwise expressly provided by statute applicable to the corporation:

(1) The Pennsylvania Deposit Insurance Corporation established by the act of October 5, 1978 (P.L.1088, No.255), known as the Pennsylvania Deposit Insurance Corporation Act.

(2) The Pennsylvania Savings Association Corporation established by the act of April 6, 1979 (P.L.17, No.5), referred to as the Pennsylvania Savings Association Insurance Corporation Act.

(3) The Lawyer Trust Account Board established by the act of April 29, 1988 (P.L.373, No.59), known as the Interest on Lawyers' Trust Accounts Act.

(4) Any other domestic corporation not-for-profit incorporated under or subject to a statute that provides that the corporate affairs of the corporation shall be governed by the laws applicable to domestic nonprofit corporations.

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; Dec. 19, 1990, P.L.834, No.198, eff. imd.)

**1990 Amendment.** Act 198 reenacted and amended the entire section.

**References in Text.** The act of October 5, 1978 (P.L.1088, No.255), known as the Pennsylvania Deposit Insurance Corporation Act, referred to in subsec. (e)(1), was repealed by the act of October 5, 1980 (P.L.693, No.142).

**Cross References.** Section 5102 is referred to in section 5103 of this title.

## **5103. Definitions.**

**(a) General definitions.--**Subject to additional definitions contained in subsequent provisions of this subpart that are applicable to specific provisions of this subpart, the following words and phrases when used in Part I (relating to preliminary provisions) or in this subpart shall have the meanings given to them in this section unless the context clearly indicates otherwise:

**"Act" or "action."** (Deleted by amendment).

**"Amendment."** An amendment of the articles.

**"Articles."** The original articles of incorporation, all amendments thereof, and any other articles, statements or certificates permitted or required to be filed in the Department of State by sections 108 (relating to change in location or status of registered office provided by agent) and 138 (relating to statement of correction), Chapter 3 (relating to entity transactions) or this subpart and including what have heretofore been designated by law as certificates of incorporation or charters. If an amendment of the articles or a statement filed under Chapter 3 restates articles in their entirety, thenceforth the "articles" shall not include any prior documents and any certificate issued by the department with respect thereto shall so state.

**"Board of directors" or "board."** The group of persons under the direction of whom the business and affairs of the corporation are managed irrespective of the name by which the group is designated. The term does not include an other body. See section 5731(c) (relating to executive and other committees of the board).

**"Business."** Any or all of the activities for which a corporation has been incorporated.

**"Business corporation."** A domestic corporation for profit defined in section 1103 (relating to definitions).

**"Bylaws."** The code or codes of rules adopted for the regulation or management of the business and affairs of the corporation irrespective of the name or names by which the rules are designated. The term includes provisions of the articles as

provided by section 5504(c) (relating to adoption, amendment and contents of bylaws).

**"Charitable purposes."** The relief of poverty, the advancement and provision of education, including postsecondary education, the advancement of religion, the prevention and treatment of disease or injury, including mental retardation and mental disorders, governmental or municipal purposes, and any other purpose the accomplishment of which is recognized as important and beneficial to the public.

**"Common trust fund."** A fund maintained by the corporation for the collective investment and reinvestment of trust assets, and any other funds contributed thereto by such corporation, as fiduciary or otherwise.

**"Corporation for profit."** (Deleted by amendment).

**"Corporation not-for-profit."** (Deleted by amendment).

**"Court."** (Deleted by amendment).

**"Department."** (Deleted by amendment).

**"Directors."** Individuals designated, elected or appointed, by that or any other name or title, to act as members of the board of directors, and their successors. The term does not include a member of an other body, unless the person is also a director. The term, when used in relation to any power or duty requiring collective action, shall be construed to mean "board of directors."

**"Dissolve" or "dissolution."** The termination of corporate existence effected by:

(1) filing of articles of dissolution in the department under this subpart by the corporation or by the office of the clerk of the court of common pleas;

(2) expiration of the term of existence of a corporation by reason of any limitation contained in its articles;

(3) forfeiture by proclamation of the Governor under section 1704 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, or otherwise;

(4) filing of a certified copy of a decree of dissolution in the department under the act of April 9, 1856 (P.L.293, No.308), entitled "Supplement to the acts relating to incorporations by the Courts of Common Pleas," or otherwise; or

(5) judgment of ouster, upon proceedings in quo warranto, under former provisions of law.

**"Domestic corporation for profit."** (Deleted by amendment).

**"Domestic corporation not-for-profit."** (Deleted by amendment).

**"Employee."** The term does not include a member, director or member of an other body, unless the person is also an employee. See section 5730 (relating to compensation of directors) as to

acceptance by a director of duties that make the director also an employee.

"Entitled to vote." Those persons entitled to vote on the matter under either the bylaws of the corporation or any applicable controlling provision of law.

"Foreign corporation for profit." (Deleted by amendment).

"Foreign corporation not-for-profit." (Deleted by amendment).

"Foreign domiciliary corporation." A foreign nonprofit corporation described in section 6102 (relating to foreign domiciliary corporations).

"Foreign nonprofit corporation." A foreign corporation not-for-profit or other entity subject to Chapter 61 (relating to foreign nonprofit corporations), whether or not required to register under Chapter 4 (relating to foreign associations).

"Fraternal benefit society." A domestic corporation not-for-profit that is a society as defined in section 2402 of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921.

"Full age." Of the age of 18 years or over.

"Incorporator." A signer of the original articles of incorporation.

"Member." Any of the following:

(1) A person that has voting rights in a membership corporation.

(2) When used in relation to the taking of corporate action by a membership corporation, a delegate to a convention or assembly of delegates of members established pursuant to any provision of this subpart who has the right to vote at the convention or assembly in accordance with the rules of the convention or assembly.

(3) A person that has been given voting rights or other membership rights in a membership corporation by a bylaw adopted by the members pursuant to section 5770 (relating to voting powers and other rights of certain securityholders and other entities) or other provision of law, but only to the extent of those rights.

(4) A shareholder of a corporation, if the corporation issues shares of stock.

"Membership corporation." A nonprofit corporation having articles of incorporation that do not provide that the corporation is to have no members.

"Nonprofit corporation" or "domestic nonprofit corporation." A domestic corporation not-for-profit that is not excluded from the scope of this subpart by section 5102 (relating to application of subpart).

"Nonqualified foreign corporation" or "nonqualified foreign nonprofit corporation." (Deleted by amendment).

"Officer." If a corporation is in the hands of a custodian, receiver, trustee or like official, the term includes that official or any person appointed by that official to act as an officer for any purpose under this subpart.

"Other body." A term employed in this subpart to denote a person or group, other than the board of directors or a committee thereof, who pursuant to authority expressly conferred by this subpart may be vested by the bylaws of the corporation with powers that, if not vested by the bylaws in the person or group, would by this subpart be required to be exercised by:

- (1) the members;
- (2) a convention or assembly of delegates of members established pursuant to any provision of this subpart; or
- (3) the board of directors.

Except as otherwise provided in this subpart, a corporation may establish distinct persons or groups to exercise different powers that this subpart authorizes a corporation to vest in an other body.

"Plan." A plan of reclassification, merger, consolidation, asset transfer, division or conversion.

"Qualified foreign corporation" or "qualified foreign nonprofit corporation." (Deleted by amendment).

"Registered office." That office maintained by a corporation in this Commonwealth as required by section 5507 (relating to registered office). See section 109 (relating to name of commercial registered office provider in lieu of registered address).

"Relax." When used with respect to a provision of the articles or bylaws, means to provide lesser rights for an affected representative or member.

"Representative." (Deleted by amendment).

"Trust instrument." Any lawful deed of gift, grant, will or other document by which the donor, grantor or testator gives, grants or devises any real or personal property or the income from any real or personal property in trust for any charitable purpose.

"Unless otherwise provided" or "except as otherwise provided." When used to introduce or modify a rule, the term implies that the alternative provisions contemplated may either relax or restrict the stated rule.

"Unless otherwise restricted" or "except as otherwise restricted." When used to introduce or modify a rule, the term implies that the alternative provisions contemplated may further restrict, but may not relax, the stated rule.

"Voting" or "casting a vote." Includes the giving of consent in lieu of voting. Whether or not the person entitled to vote characterizes the conduct as voting or casting a vote, the term does not include:

- (1) recording the fact of abstention; or
- (2) failing to vote for a candidate or for approval or disapproval of a matter.

"Voting rights." The right of a person in a membership corporation, other than in the capacity of a director or member of an other body, to vote on the election or removal of directors or members of an other body or on approval of an amendment of the articles of incorporation, a plan or the dissolution of the corporation.

**(b) Index of other definitions.**--The following is a nonexclusive list of words and phrases which when used in this subpart shall have the meanings given to them in section 102 (relating to definitions):

**"Act" or "action."**

**"Corporation for profit."**

**"Corporation not-for-profit."**

**"Court."**

**"Department."**

**"Domestic corporation for profit."**

**"Domestic corporation not-for-profit."**

**"Execute."**

**"Foreign corporation for profit."**

**"Foreign corporation not-for-profit."**

**"Internal Revenue Code of 1986."**

**"Obligation."**

**"Officially publish."**

**"Record form."**

**"Representative."**

**"Sign."**

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; Dec. 19, 1990, P.L.834, No.198, eff. imd.; Dec. 18, 1992, P.L.1333, No.169, eff. 60 days; July 9, 2013, P.L.476, No.67, eff. 60 days; Oct. 22, 2014, P.L.2640, No.172, eff. July 1, 2015)

**2014 Amendment.** Act 172 amended subsec. (a) intro. par. and in subsec. (a) amended the defs. of "articles" and "foreign nonprofit corporation" and deleted the defs. of "nonqualified foreign corporation" or "nonqualified foreign nonprofit corporation" and "qualified foreign corporation" or "qualified foreign nonprofit corporation."

**2013 Amendment.** Act 67 amended the defs. of "board of directors" or "board," "bylaws," "charitable purposes," "directors," "fraternal benefit society," "member," "nonprofit

corporation" or "domestic nonprofit corporation," "nonqualified foreign corporation" or "nonqualified foreign nonprofit corporation," "other body," "trust instrument," "unless otherwise provided" or "except as otherwise provided" and "unless otherwise restricted" or "except as otherwise restricted," added the defs. of "amendment," "business corporation," "employee," "foreign domiciliary corporation," "membership corporation," "plan," "voting" or "casting a vote" and "voting rights" and deleted the defs. of "act" or "action," "corporation for profit," "corporation not-for-profit," "court," "department," "domestic corporation for profit," "domestic corporation not-for-profit," "foreign corporation for profit," "foreign corporation not-for-profit" and "representative" and added subsecs. (a) hdg. and (b).

**1992 Amendment.** Act 169 amended the def. of "registered office" and added the def. of "dissolve" or "dissolution."

**1990 Amendment.** Act 198 reenacted and amended the entire section.

**References in Text.** The act of July 29, 1977 (P.L.105, No.38), known as the Fraternal Benefit Society Code, referred to in the def. of "fraternal benefit society," was repealed by the act of December 14, 1992 (P.L.835, No.134), which was repealed by the act of July 10, 2002 (P.L.749, No.110). The subject matter is now contained in Article XXIV of Act 284 of 1921.

**Cross References.** Section 5103 is referred to in sections 102, 511, 1103, 5725, 5734, 5751, 5752, 5903 of this title.

**§ 5104. Other general provisions (Deleted by amendment).**

**2013 Amendment.** Section 5104 was deleted by amendment July 9, 2013, P.L.476, No.67, effective in 60 days.

**5105. Restriction on equitable relief.**

A member of a nonprofit corporation shall not have any right to claim the right to valuation and payment of the fair value of his membership interest or shares because of any proposed plan or amendment authorized under any provision of this subpart, or to obtain, in the absence of fraud or fundamental unfairness, an injunction against the plan or amendment.

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; July 9, 2013, P.L.476, No.67, eff. 60 days)

**5106. Uniform application of subpart.**

**(a) General rule.**--Except as provided in subsection (b), this title and its amendments are intended to provide uniform rules for the governance and regulation of the affairs of nonprofit corporations and of their officers, directors and members and of members of other bodies, regardless of the date or manner of incorporation or qualification, or of the issuance



of any evidences of membership in or shares of a nonprofit corporation.

**(b) Exceptions.--**

(1) Unless expressly provided otherwise in any amendment to this title, the amendment shall take effect only prospectively.

(2) Any existing corporation lawfully using a name or, as a part of its name, a word that could not be used as or included in the name of a corporation subsequently incorporated or qualified under this title may continue to use the name or word as part of its name if the use or inclusion of the word or name was lawful when first adopted by the corporation in this Commonwealth.

(3) Subsection (a) shall not adversely affect the rights specifically provided for or saved in this subpart, including, without limiting the generality of the foregoing, the provisions of section 363 (relating to approval of division).

(4) Nothing in this title shall be deemed to repeal or supersede any provision in section 7 of the act of April 26, 1855 (P.L.328, No.347), entitled "An act relating to Corporations and to Estates held for Corporate, Religious and Charitable uses."

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; July 9, 2013, P.L.476, No.67, eff. 60 days; Oct. 22, 2014, P.L.2640, No.172, eff. July 1, 2015)

**Cross References.** Section 5106 is referred to in section 5311 of this title.

**5107. Subordination of subpart to canon law.**

If and to the extent canon law or similar principles applicable to a corporation incorporated for religious purposes sets forth provisions relating to the government and regulation of the affairs of the corporation that are inconsistent with the provisions of this subpart on the same subject, the canon law or similar principles shall control except to the extent prohibited by the Constitution of the United States or the Constitution of Pennsylvania.

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; July 9, 2013, P.L.476, No.67, eff. 60 days)

**Cross References.** Section 5107 is referred to in section 5903 of this title.

**5108. Limitation on incorporation.**

A corporation that can be incorporated under this subpart shall not be incorporated except under the provisions of this subpart.

(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; July 9, 2013, P.L.476, No.67, eff. 60 days)

**5109. Execution of documents.**

(a) **General rule.**--Any document filed in the department under this title by a domestic or foreign nonprofit corporation subject to this subpart may be executed on behalf of the corporation by any one duly authorized officer of the corporation. The corporate seal may be affixed and attested, but the affixation or attestation of the corporate seal shall not be necessary for the due execution of any filing by a corporation under this title.

(b) **Cross reference.**--See section 135 (relating to requirements to be met by filed documents).

(c) **Transitional provision.**--(Deleted by amendment).  
(Dec. 21, 1988, P.L.1444, No.177, eff. Oct. 1, 1989; July 9, 2013, P.L.476, No.67, eff. 60 days)

**5110. Annual report.**

(a) **General rule.**--On or before April 30 of each year, a corporation described in subsection (b) that has effected any change in its officers during the preceding calendar year shall file in the Department of State a statement executed by the corporation and setting forth:

- (1) The name of the corporation.
- (2) The post office address, including street and number, if any, of its principal office.
- (3) The names and titles of the persons who are its principal officers.

(b) **Application.**--This section shall apply to every:

- (1) domestic nonprofit corporation that has been incorporated after December 31, 1972;
- (2) domestic nonprofit corporation that has made any filing under the Nonprofit Corporation Law of 1933 in the Department of State as amended by the act of June 19, 1969 (P.L.86, No.31);
- (3) domestic nonprofit corporation that has filed a statement of summary of record with the Department of State after December 31, 1972; and
- (4) qualified foreign nonprofit corporation.

(c) **Separate change in registered office required.**--A filing under this section shall not constitute compliance with section 5507(b) (relating to registered office).

(d) **Fee.**--No fee shall be charged for effecting a filing under this section.

(e) **Cross reference.**--See section 134 (relating to docketing statement).

(Dec. 19, 1990, P.L.834, No.198, eff. imd.; Dec. 18, 1992, P.L.1333, No.169, eff. 60 days)

**1992 Amendment.** Act 169 amended subsec. (b).

**1990 Amendment.** Act 198 added section 5110.

**Cross References.** Section 5110 is referred to in section 5732 of this title.