



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

## **DISSOLVING A GEORGIA NONPROFIT ORGANIZATION**

When starting a nonprofit organization in Georgia, the founders rarely contemplate the possibility of shutting down the organization. Yet, there are times when dissolution is the appropriate decision. A nonprofit organization that plans to end its operations should complete certain steps pursuant to Georgia Nonprofit Corporation Code § 14-3-14. An organization that closes without following the proper procedures could open itself to the risk of legal consequences, including lawsuits from claimants and creditors and IRS enforcement actions.

The path to dissolution includes both internal procedures and public filings, both of which require advance planning. This article provides a broad overview of the dissolution process; however, nonprofit organizations that are considering dissolution should contact an attorney for specific legal guidance.

### **GENERAL STEPS FOR DISSOLUTION**

#### **Approval of the Board of Directors**

The organization should create a Plan of Dissolution that complies with Georgia law and should share the plan with the Board. Next, the organization should send a meeting notice that states the purpose of the meeting is to vote regarding dissolution of the organization. The organization should then conduct a meeting of its Board of Directors in accordance with the procedures in its Bylaws and/or Articles of Incorporation. The Board will need to approve the plan and the resolution to dissolve by at least a majority, although the organization's Articles or Bylaw may require a greater number. The organization should also assign someone, such as the Executive Director, a Board member or an Officer, to manage the wind down of business affairs and dissolution on behalf of the organization. Organizations that have members with corporate powers must take additional steps during this phase of the dissolution process.

#### **Publication of Notice**

After receiving approval from the Board of Directors, the organization should publish notice of its intent to dissolve, including certain messages to potential creditors and claimants, in the official newspaper of the county where the organization's main office is located. There is a \$40 filing fee for this notice.

#### **Filing Notice of Intent to Dissolve**

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After publication, the organization should file a Notice of Intent to Dissolve with the Secretary of State. The Secretary of State has provided [instructions for filing the Notice of Intent to Dissolve](#). The organization then should file a Notice of Intent to File Articles of Dissolution with the Attorney General. The Attorney General has 30 days to respond to the Notice of Intent. After filing both notices, the organization should wait 30 days before moving forward in the dissolution process.

### **Winding Up and Distributing Assets**

After the 30 days have transpired, the organization should stop conducting any business except that which is necessary to liquidate and wind up the business. Necessary activities may include collecting assets, disposing of property, and discharging liabilities (including closing bank accounts and notifying the other parties in any outstanding terminable contracts). The organization should distribute its assets in accordance with the Plan of Dissolution approved by the Board. All remaining assets and monies, after all obligations and liabilities are met, must be distributed to another 501(c)(3) organization. The organization then should provide the Attorney General with the list of assets that were distributed and the persons who received them.

### **Filing Articles of Dissolution**

After the 30 days have transpired and after the publication of notice has run for two consecutive weeks, the organization may officially end its existence by filing Articles of Dissolution with the Secretary of State. The Secretary of State has provided [instructions for filing the Articles of Dissolution](#).

### **Notifying the IRS and Filing Final Form 990**

The organization should file a final Form 990 that states that the organization has been terminated. The 990 should include a copy of the Articles of Dissolution. In addition, the organization should close its EIN/business account with the IRS by sending a letter stating the reason for closing its account.

While the dissolution process can be complex, it is essential to end the operations of a Georgia nonprofit organization in accordance with the law so as to protect the remaining assets as well as the organization, officers and board members. Nonprofit organizations that are considering dissolution should contact an attorney for specific legal guidance.

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