

This profile is part of a set of 51 profiles, including all U.S. states and the District of Columbia, which outlines state laws, regulations, and requirements that apply to charitable organizations. It covers six areas and highlights ways in which state laws differ from federal laws governing charitable organizations.



Formation, Elections, Operation, and Dissolution

Nonprofit Corporations

Idaho Nonprofit Corporation Act. Idaho Code Title 30, Ch. 30.

Nonprofit Unincorporated Associations

Unincorporated associations are governed by Idaho Code Title 30, Chapter 27.

Election of Directors

If corporation has members, directors are elected at annual meeting by the members (unless otherwise provided for in articles or bylaws); if corporation does not have members, directors are elected as provided for in the articles or bylaws and if not provided for, then by the board. Idaho Code Ann. § 30-30-604.

There shall be at least three directors. Idaho Code Ann. § 30-30-603.

Director Term

As provided for in the articles or bylaws, but not to exceed five years except for designated or appointed directors. In the absence of a provision specifying term in the articles or bylaws, terms shall be one year. Directors may be elected for successive terms. Idaho Code Ann. § 30-30-605.

Meeting and Quorum Requirements

Quorum (Members): Unless bylaws provide otherwise, ten percent of the votes of members entitled to be cast on a matter constitutes a quorum. Idaho Code Ann. § 30-30-511.

Quorum (Directors): Unless articles or bylaws (or this chapter) provide otherwise, a quorum of a board of directors consists of a majority of the directors in office immediately before a meeting begins. In no event may the articles or bylaws authorize a quorum of fewer than the greater of one-third of the number of directors in office or two directors. Idaho Code Ann. § 30-30-616.

Annual meeting required. Idaho Code Ann. § 30-30-501.

Officer Requirements

Unless otherwise provided by the articles or bylaws, the corporation shall have a president, secretary, treasurer and other officers appointed as appointed by the board. Except for religious corporations, any two or more offices can be held by the same person (except president and secretary). A religious corporation is not required to have officers. Idaho Code Ann. § 30-30-621.

Officer Term

No relevant statute found.

Dissolution

Dissolution is governed by Idaho Code Ann. § 30-30-1001 et seq.

Duties, Indemnification, and Interested Transactions

Director Duties

A director shall discharge his duties as a director, including his duties as a member of a committee: (a) In good faith; (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) In a manner the director reasonably believes to be in the best interests of the corporation. Idaho Code Ann. § 30-30-618.

Special rules for discharging director's duties in a religious organization. Ind. Code Ann. Idaho Code Ann. § 30-30-618(2)(d).

Officer Duties

Each officer has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties and authority prescribed in a resolution of the board or by direction of an officer authorized by the board to prescribe the duties and authority of other officers. Idaho Code Ann. § 30-30-622.

An officer with discretionary authority shall discharge his duties under that authority: (a) In good faith; (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) In a manner the officer reasonably believes to be in the best interests of the corporation and its members, if any. Idaho Code Ann. § 30-30-623.

Special rules for discharging director's duties in a religious organization. Idaho Code Ann. § 30-30-623(2)(c).

Board Independence Requirements

No relevant statute found.

Interested Transactions

"A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided" for in Idaho Code Ann. § 30-30-619.

Indemnification of Directors/Officers

A corporation may indemnify current or former directors if the individual acted in good faith and reasonably believed his/her conduct was in the corporation's best interests, in all other cases, the individual's conduct did not oppose the corporation's best interest and, in the case of a criminal proceeding, the individual had no reason to know the conduct was illegal. Idaho Code Ann. § 30-30-626.

To the extent a director, officer, employee or agent of the corporation is successful in defending any action under this section of the code, the corporation must indemnify that individual. Idaho Code Ann. § 30-30-626.

Who the corporation can indemnify is governed by Idaho Code Ann. § 30-30-626.

Loans to Directors, Officers, or Employees

Corporations cannot lend money to or guaranty the obligation of a director or officer of the corporation (except for cooperative corporations); however, doing so does not affect the borrower's liability on the loan. Idaho Code Ann. § 30-30-620.

Notable Departures from Federal Law

Religious/Church Exemption

See tax sections below.

Healthcare "Plus Factors"

Nonprofit hospitals with at least 150 beds have additional requirements such as filing an annual community benefit report and conducting community needs assessments. Idaho Code Ann. § 53-602D(7).

General

Rebuttable Presumption of Reasonableness - Delegation to Disinterested "Others"

A director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One (1) or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (b) Legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence;
- (c) A committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence; or
- (d) In the case of religious corporations, religious authorities and ministers, priests, rabbis or other persons whose position or duties in the religious organization the director believes justify reliance and confidence and whom the director believes to be reliable and competent in the matters presented.. Idaho Code Ann. § 30-30-618.

Charitable Solicitation Requirements

Idaho Charitable Solicitation Act. Idaho Code Ann. § 48-1201-1206 governs certain unlawful solicitation practices.

The membership list cannot, without the consent of the board, be used to solicit money or property unless the money or property will be used solely to solicit the votes of the members in an election to be held by the corporation. Idaho Code Ann. § 30-30-1104.

State-Specific Retention Policies

Corporate record retention requirements are established by Idaho Code Ann. § 30-30-1101.

Personal Information Collection and Protection Laws

The membership list cannot, without the consent of the board, be used to solicit money, for commercial purpose, sold or purchased by any person. Idaho Code Ann. § 30-30-1104.

Whistleblower Protection

Not specific to nonprofit organizations; however, the Whistleblower state law can be found at Idaho Code Ann. § 6-2104.

State Volunteer Liability Law

Liability limited by statute. Idaho Code Ann. § 6-1605.

Independent Audit Requirements

No relevant statute found.

State Filing Requirements

An annual report must be filed. Idaho Code Ann. § 30-21-213.

Model Acts

Uniform Prudent Management of Institutional Funds Act

Adopted

Uniform Prudent Investor Act

Adopted

Tax Exemptions

Income Tax

Idaho exempts registered nonprofit organizations that are granted tax exempt status from the IRS from income tax (except for unrelated business income). Idaho Code Ann. § 63-3025B.

See <http://tax.idaho.gov/i-1098.cfm>

Sales and Use Taxation

Only certain organizations and activities are exempt from sales tax in Idaho. Title 63: Revenue and Taxation, Ch. 36: Sales Tax Idaho Code Ann. §63-3622O.

Sales by religious organizations are exempt from sales tax as long as the proceeds by the sale are used exclusively in the programs provided for in the statute. Idaho Code Ann. § 63-3622KK.

Property Tax Exemption

Certain property used by a charitable limited liability company, corporation, or society is exempt from property tax. Idaho Code Ann. § 63-602C.

Religious property, if it is used exclusively for religious, education or recreational purposes or activities of the religious organization, is exempt from property tax. Idaho Code Ann. § 63-602B.

Miscellaneous Exemptions

N/A.

General Resource:

<https://legislature.idaho.gov/idstat/Title30/T30CH30.htm>

Disclaimer

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