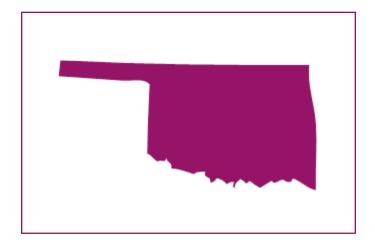
State laws for charitable organizations

Oklahoma



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

Nonprofit corporations are governed by the Oklahoma General Corporation Act, Okla. Stat. tit. 18, chapter 22, with additional provisions relating to nonprofit corporations in Okla. Stat. tit. 18. Chapters 14 and 19.

Nonprofit Unincorporated Associations

Unincorporated associations defined as "business entities" under Okla. Stat. Ann. Tit. 18 § 1090.4.

Election of Directors

Election of Directors is governed by Okla. Stat. Ann. Tit. 18 § 1027. There are no restrictions on the number of directors.

Director Term

The directors of any corporation, by the certificate of incorporation or by an initial bylaw, or by a bylaw adopted by the board of directors and approved by a vote of the shareholders, may be divided into one, two, or three classes; the term of office of those of the first class to expire at the first annual meeting held after the classification becomes effective; of the second class one (1) year thereafter; of the third class two (2) years thereafter; and at each annual election held after the classification becomes effective, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. Okla. Stat. Ann. Tit. 18 § 1027

Meeting and Quorum Requirements

Quorum (Members): A quorum of shareholders may not be set at less than one-third of the total number of shares entitled to vote. Okla. Stat. Ann. Tit. 18 § 1061.

Quorum (Directors): A quorum of directors may not be set at less than one-third of the total number of directors. Okla. Stat. Ann. Tit. 18 § 1027(B).

Rules regarding annual meetings can be found at Okla. Stat. Ann. tit. 18, § 1056.

Officer Requirements

Must include officers as stated in the bylaws; one officer must have the duty to record the proceedings of the meetings. Okla. Stat. Ann. Tit. 18 § 1028(A).

Officer Term

Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Oka. Stat. Ann. Tit. 18 § 1028.

Dissolution

Dissolution is governed by Oka. Stat. Ann. Tit. 18 § 1092 et seq.

Duties, Indemnification, and Interested Transactions

Director Duties

Directors have Duty of Loyalty. Okla. Stat. Ann. Tit. 18 § 867

Officer Duties

Each officer has the duties as stated in the bylaws or in a resolution of the board of directors. Okla. Stat. Ann. Tit. 18 § 1028.

Board Independence Requirements

No relevant statute found.

Interested Transactions

Conflict of interest transactions are not voidable solely because of the director or officer's interest if: (1) the material facts as to his relationship or interest are disclosed or known to the board of directors and the board of directors in good faith authorizes the transaction by majority of the disinterested directors, (2) the material facts as to his relationship or interest are disclosed or known to the shareholders and the shareholders approve the transaction, or (3) the contract or transaction is fair to the corporation. Okla. Stat. Ann. Tit. 18 § 1030.

Indemnification of Directors/Officers

Indemnification is governed by Okla. Stat. Ann. Tit. 18 § 1031.

Loans to Directors, Officers, or Employees

Corporations may lend money to or guarantee the obligations of any officer or other employee of the corporation or its subsidiary, including any officer or employee who is a director of the corporation, whenever in the judgment of the directors such loan may reasonably be expected to benefit the corporation. Okla. Stat. Ann. Tit. 18 § 1029.

Notable Departures from Federal Law

Religious/Church Exemption

Religious organizations do not have to file a registration statement in order to engage in charitable solicitation. Okla. Stat. Ann. Tit. $18\$ § 552.3.

See tax sections below.

Healthcare "Plus Factors"

No relevant statute found.

General

Rebuttable Presumption of Reasonableness - Delegation to Disinterested "Others"

Board members are protected if they have relied in good faith upon information from others as to matters the board member reasonably believes are within the other's competence and who have been selected with reasonable care by or on behalf of the corporation. Oka. Stat. Ann. Tit. 18 § 1027(E).

Charitable Solicitation Requirements

Registration required pursuant to Oka. Stat. Ann. Tit. 18 § 552.1a.

State-Specific Retention Policies

Corporate record retention requirements governed by Oka. Stat. Ann. Tit. 18 § 1065.

Personal Information Collection and Protection

Laws

No relevant statute found.

Whistleblower Protection

Not specific to nonprofit organizations; however, the state Whistleblower Act can be found at Okla. Stat. Ann. Tit. 74 § 840-2.5

State Volunteer Liability Law

Liability is limited by Okla. Stat. Ann. Tit. 76 § 31.

Independent Audit Requirements

No relevant statute found.

State Filing Requirements

No relevant statute found.

Model Acts

Uniform Prudent Management of Institutional Funds Act

Adopted

Uniform Prudent Investor Act

Adopted

Tax Exemptions

Income Tax

Nonprofit corporations exempt from federal income taxes are automatically exempt from Oklahoma corporate income taxes. Okla. Stat. Ann. Tit 68 §2359. However, they must file Form 512-E annually.

Sales and Use Taxation

Exempt pursuant to Okla. Stat. Ann. Tit 68 § 1356.

Property Tax Exemption

Certain property used for charitable purposes is exempt from property tax under Okla. Stat. Ann. Tit. 68 § 2887.

Miscellaneous Exemptions

N/A.

General Resource:

http://law.justia.com/codes/oklahoma/2015/title-18/

Disclaimer

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