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**Fee Schedule
Nonprofit Organization
Virginia Nonstock Corporation
2021**

Greetings and thank you for your contact to my law practice.

The following schedule sets forth a Standard Fee for the formation and organization of a new nonprofit Virginia nonstock corporation [throughout, called "Nonprofit Organization"], operating as a corporation incorporated by the Virginia State Corporation Commission ("SCC"), having tax-exempt status granted by the Internal Revenue Service ("IRS"), and duly registered with the Virginia Division of Consumer Affairs ("DCA").

The Standard Fee (which includes legal fees and costs) is intended to reflect the overall value of the services rendered, as well as the anticipated time and effort involved.

Once the Nonprofit Organization has been incorporated and organized, and for your consideration, I also have provided information about ongoing legal services I offer when serving as Registered Agent for the Nonprofit Organization (**Section V, below**).

I.

Legal Services Covered by Standard Fee

A. Initial consultation, to include review of organizational mission and proposed exempt purpose activities, as well as discussion and recommendation of proper tax-exempt status and operating matters thereto.

B. Additional consultation about organization of the new Nonprofit Organization, including advisory board/council; operating budget; solicitations, fundraising; Board and management responsibilities; banking resolutions; state and local tax exemptions; registration with DCA; other state registration and local license requirements; Nonprofit Organization formation and organization documents.

C. Preparation and filing of the following corporate and tax documents: Articles of Incorporation, with the SCC; Initial Director Consent; Organizational Meeting Minutes; Bylaws; Forms 1023EZ/1023/1024, Application for Recognition of Exempt Status, with attachments, including statement of proposed exempt purpose activities and proposed financial budget, to the IRS; Form SS-4, Application for Employer Identification Number; Form 2848, Power of Attorney; Form 8718, User Fee; Form 5768, Lobbying Election (as applicable); Certificate of Assumed Name (as applicable); Registration with DCA (Form 102).

D. Delivery of executed Nonprofit Organization documents, sequentially organized, in personalized Minute Book for the Nonprofit Organization.

E. New Nonprofit Organizations, desiring tax exempt status under Code Section 501(c)(3), having less than \$250,000 in assets and expecting to receive less than \$50,000 in annual revenues the first three years, are eligible to apply online with the IRS for tax exempt status, also having to pay a lesser user fee to the IRS, provided a new Nonprofit Organization also satisfies other requirements imposed by the IRS. If an online application, called a Form 1023EZ, is approved by the IRS, the IRS will notify its acceptance, typically within thirty to forty-five days of filing.

The Standard Fee includes the cost of the initial consultation. If, however, the client declines the engagement, there is a charge of \$250 for the consultation payable at that time.

Expenses incurred for filing and recording fees, messenger service, express mail, and similar charges are included as costs in the Standard Fee. Travel within the Greater Richmond area, long distance telephone calls, and photocopying are provided without charge.

II.
Standard Fee for Formation and Organization
of
New Nonprofit Organization

Legal Fees

Charitable; Section 501(c)(3) (Public Charity) – <u>Form 1023EZ</u>	-	\$1,400
Charitable; Section 501(c)(3) (Public Charity) – <u>Form 1023</u>	-	\$2,500

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Charitable; Section 501(c)(3) (Private Foundation) – <u>Form 1023</u>	-	\$3,500
Social Welfare; Section 501(c)(4) (<u>Form 1024</u>)	-	\$3,500
Trade Association; Section 501(c)(6) (<u>Form 1024</u>)	-	\$3,500
Social Club; Section 501(c)(7) (<u>Form 1024</u>)	-	\$4,000
Fraternal Association; Section 501(c)(8) (<u>Form 1024</u>)	-	\$4,000
Other Section 501(a) Organizations	-	TBA

Costs

Filing Fee: Virginia State Corporation Commission	-	\$100/\$175
Filing Fee: Virginia Division of Consumer Affairs	-	\$100
User Filing Fee: Internal Revenue Service	-	\$275/\$600
Materials, Minute Book, Mailings	-	\$100
Certificate of Assumed Name	-	\$ 25/30

III.
Payment; Timing

If you decide to engage my legal services to form and organize your new Nonprofit Organization, I request full payment of the Standard Fee be remitted at the first meeting.

The Standard Fee is earned and non-refundable when the Articles of Incorporation are filed with the SCC and a working draft of the Nonprofit Organization's documents seeking tax exempt status is presented to you.

Within ten to fourteen business days of our first meeting, a working draft of the Nonprofit Organization's corporate and tax documents will be prepared and made available to you for your review and comment; they will be sent to you by email, fax, or U.S. mail, whichever is most convenient for

you; a telephone conference will be scheduled shortly thereafter to discuss any comments you may have about the draft documents.

I ask that you plan to schedule a second meeting within three weeks of our first meeting, or sooner, so that you may execute the Nonprofit Organization's documents, or I can arrange separate electronic transmittal and return of the signature pages for execution if more convenient for you.

Except in unusual circumstances discussed and approved beforehand, all representations starting new Nonprofit Organizations are expected to be completed within four to six weeks of our first meeting. Once the draft corporate and tax documents are delivered to you, if more than thirty (30) days pass without their completion and signature because of additional time requested by the client, then additional legal fees may be charged in an amount determined by me, or the representation may be terminated without completing or signing the documents and with all fees deemed earned and paid and not refundable.

Please bring your calendar with you to our first meeting so we may schedule the subsequent meetings and conferences at that time.

I look forward to the opportunity to assist you with this important representation.

IV.

Other Information Regarding the Internal Revenue Service

Filing an Application for Recognition of Exempt Status with the IRS is only a first step.

The IRS reviews the Application before granting tax-exempt status and such may occur without additional legal time having to be spent. It's possible, however, the IRS may have questions about the Nonprofit Organization's Application, whether activities or budget or other matters as set forth in the Application, including for online-filed applications for small exempt organizations, and, if so, we will have an opportunity to respond, though we will have to do so within short time constraints.

If there are questions or requests for further information from the IRS, then I will give you a fee quote based on what additional legal time may be needed to properly respond to them in writing - the legal fee for such a response usually ranges from \$500 to \$1,000, depending on the scope of the IRS's questions, conference calls with the IRS agent, document drafting, so forth - also, the legal fee for such a response is separate from, and in addition to, the Standard Fee, described above.

I don't expect the IRS to raise additional questions, but it's possible, particularly since the IRS closely scrutinizes all applications from organizations seeking tax-exempt status, and I want you to be informed about that possibility beforehand.

Also, it's almost certain that it will be about 120 to 180 days before we receive a first response from the IRS depending on its workload, but the exemption, once granted, will be effective from the date of the Nonprofit Organization's incorporation (with the IRS response time being considerably shorter for online-filed applications for small exempt organizations).

What can be represented in the meantime by the Nonprofit Organization is that its Application has been filed with the IRS; and that its exemption as a qualifying tax-exempt organization is pending.

V.

Registered Agent for the Nonprofit Organization

Every Virginia Nonprofit Organization must have a Registered Agent, whether a lawyer or a Director or an Officer of the Nonprofit Organization, the Registered Agent also having to be resident in Virginia.

If named in the Articles of Incorporation, or if appointed thereafter, then I serve as Registered Agent for the Nonprofit Organization, and I'm pleased to do so.

Serving as Registered Agent is an undertaking, a responsibility, and a legal service for which I charge legal fees and I'm going to ask the Nonprofit Organization to make a decision about my continued service.

Here're the particulars about the service, about what I offer the Nonprofit Organization as Registered Agent.

A. Registered Agent Service for the Nonprofit Organization.

As Registered Agent, I'll act as "gatekeeper" for any process or official notices served on the Nonprofit Organization and advise you of actions required. During the course of the year, I'll send you the Nonprofit Organization's Annual Report and Annual Registration Fee Assessment that I'll receive from the SCC as Registered Agent, with instructions about executing the respective documents, paying the SCC, filing with the SCC, and placing the documents in the Nonprofit Organization's Minute Book which I will have previously sent to you.

I'll also continue to follow up with you if the SCC contacts me about missing or delinquent filings or payments, all to ensure the Nonprofit Organization remains in current compliance with its filing and payment requirements under Virginia law.

Note: If legal work for the Nonprofit Organization other than serving as Registered Agent is needed or requested, such as reviewing or preparing documents, handling a matter, delivering some other legal service, and you want to engage me, then (i) I would advise you of same, (ii) there would be additional fees for those legal services I render, (iii) I would quote a legal fee for such services, for your approval, before undertaking them.

Note: Similarly, if a legal service for the Nonprofit Organization is needed or requested that I cannot provide, because outside my practice expertise, then I'll advise you of such and assist in securing or referring other counsel to the Nonprofit Organization for that purpose.

B. Fees and Costs; Billings and Payments. If the Nonprofit Organization desires that I continue to serve as Registered Agent, or if I'm newly serving as Registered Agent, then the annual legal fee for my Registered Agent Service is **\$400.00**, which I bill in two installments each year.

On **January 1st** each year, I'll send the Nonprofit Organization a First Billing Statement for **\$200.00**, requesting payment by **January 10th** – then, on **July 1st** each year, I'll send the Nonprofit Organization a Second Billing Statement for **\$200.00**, requesting payment by **July 10th**.

I'll also email you a notice about each upcoming Registered Agent Billing thirty days or so before, so I can keep you informed about it.

With each Billing Statement for Registered Agent Services, I'll send along a stamped self-addressed return envelope in which the Nonprofit Organization can place payment to me for your return mailing convenience.

Note: For legal services I deliver other than as Registered Agent, my billing rate is \$200 per hour; I can usually give a range of what time may be incurred and what legal fees may be charged for a particular matter, based on my judgment and experience handling such, and I ask for retainers for that purpose; I also charge for costs that may be incurred, whether for filing fees, mailings, materials, so forth, in an amount I'll provide beforehand, including that I may ask you to advance the payment of certain costs, depending on type and amount.

C. Cancelling or Changing the Registered Agent Service.

Please know that, at any time, you and the Nonprofit Organization can cancel my representation and discharge me as Registered Agent: that's yours and the Nonprofit Organization's prerogative for any reason you and the Nonprofit Organization find satisfactory.

In a similar manner, I reserve the right to cancel and disengage as Registered Agent for the Nonprofit Organization, if I decide such is necessary, the same, if done by me, to be done in an orderly manner, consistent with my responsibilities as a licensed Virginia lawyer.

D. How to Sign Up for Registered Agent Services. Within thirty (30) days of the Nonprofit Organization being granted tax exempt status by the IRS, I'll send you a letter asking you to let me know if you desire that I continue serving as Registered Agent for the Nonprofit Organization, as outlined here, and I'll ask that you let me know within a couple of weeks thereafter.

If you no longer want me to serve as Registered Agent, or if I don't hear from you, then I'll send you the form you can file with the SCC to right away name another person to serve in that capacity as well as give you the SCC contact information if you want to make the Registered Agent change online.

E. Conclusion. As I look ahead, please know that I look forward to the opportunity to handle this important representation for you and the Nonprofit Organization for many years to come. If I've served as the Nonprofit Organization's Registered Agent from the beginning, or if I was appointed thereafter, it's been my privilege to do so: I want the Nonprofit Organization to stay with me ... I hope the Nonprofit Organization will.

Thank you.

With best personal regards, I remain

Very truly yours,

J. Steven Erie

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