



May a Canadian Run a U.S. Nonprofit?

Does the law require the head of a U.S. nonprofit to be a U.S. citizen?

Q

Are there any legal or tax consequences (under both United States and Canada law and tax code) if the president of a U.S. nonprofit organization is not a citizen or resident of the United States? The specific case in question is that of the president-elect of a U.S. nonprofit organization who is a citizen and resident of Canada.

A

It's all I can do to keep up with U.S. law, so I'll have to pass on the Canadian law aspect of your question, although I would be surprised if the answer

were any different. Under U.S. law, the answer is clearly "no." I know of no state corporation statute which requires officers or directors of a nonprofit organization to be U.S. citizens. Nor is there any provision of the U.S. Internal Revenue Code that would cause adverse

tax consequences for a nonprofit organization with foreign officers or directors. Thus, the mere fact that someone is not a U.S. citizen does not raise legal or tax consequences for the organization. Of course, all officers and directors owe a fiduciary duty of loyalty to their corporations and must carry out their duties in good faith and with due diligence, but this can be accomplished from Canada just as easily as from anywhere in the United States.

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