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**Fee Schedule**  
**Nonprofit Organization**  
**Virginia Nonstock Corporation**  
**2010**

The following schedule sets forth a Standard Fee for the formation and organization of a new nonprofit Virginia nonstock corporation [throughout, called "Nonprofit Organization"], seeking tax-exempt status from the Internal Revenue Service and recognized as exempt by the Commonwealth of Virginia.

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, we also have provided information about a package of ongoing services we offer when serving as retained Legal Counsel to the Nonprofit Organization (**Section V, below**).

**I.**

**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 and fundraising; Board and management responsibilities; banking resolutions; state and local tax exemptions; registration with Virginia Division of Consumer Affairs; other state registration and local license requirements; and Nonprofit Organization formation and organization documents.

**C.** Preparation, and filing, of the following Nonprofit Organization documents: Articles of Incorporation; Initial Director Consent; Organizational Meeting Minutes; Bylaws; Form 1023/1024, Application for Recognition of

Exempt Status, with attachments, including statement of proposed exempt purpose activities; Form SS-4, Application for Employer Identification Number; Form 2848, Power of Attorney; Form 8718, User Fee; Form 872-C, Advance Ruling Period, and Form 5768, Lobbying Election (as applicable); Certificate of Assumed Name (as applicable); Registration with Consumer Affairs (Form 102).

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

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)	-	\$3,000
Charitable; Section 501(c)(3) (Private Foundation)	-	\$3,500
Social Welfare; Section 501(c)(4)	-	\$3,500
Trade Association; Section 501(c)(6)	-	\$3,500
Social Club; Section 501(c)(7)	-	\$4,000
Fraternal Association"; Section 501(c)(8)	-	\$4,000
Other Section 501(a) Organizations	-	TBA

**Costs**

Filing Fee: Virginia State Corporation Commission	-	\$ 75
Filing Fee: Virginia Division of Consumer Affairs	-	\$ 150
User/Filing Fee: Internal Revenue Service	-	\$375/\$750
Materials, Minute Book, Mailings	-	\$ 200
Certificate of Assumed Name	-	\$ 25/30

**III.**  
**Payment; Timing**

If you decide to engage our legal services, we request that 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 organization documents are presented to you.

Within 10 to 14 business days of our first meeting, a working draft of the Nonprofit Organization's corporate organization and application for tax-exempt status documents will be prepared; they will be made available to you for your review and comment by email, fax, mail, whichever is most convenient for you; and, following which, a telephone conference will be scheduled to discuss any comments you may have about the draft documents.

We ask that you plan to schedule a second meeting within two to four weeks of our first meeting, so that you may execute the Nonprofit Organization's documents, or we can arrange separate transmittal and return of the signature pages for execution if more convenient for you, after which we will complete the Application's filing with the Internal Revenue Service and later filing with the Virginia Division of Consumer Affairs.

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 organizational documents are delivered to you, and if more than forty-five (45) 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 that we may schedule the subsequent meetings and conferences at that time.

We 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.

As you know, the IRS reviews the Application before granting tax-exempt status and that may occur without additional legal time having to be spent. It's possible, however, that the IRS may have questions about the Nonprofit Organization's activities or budget or other matters as set forth in the Application, and, if so, we will have an opportunity to respond, although we will have to do so within short time constraints.

If there are questions or requests for further information from the IRS, then we 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 \$1,000 to \$2,000, depending on the scope of the IRS's questions, conference calls with the IRS agent, document drafting, and so forth – also, the legal fee for such a response is separate from, and in addition to, the Standard Fee, described above). We 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 we want you to be informed about that possibility beforehand.

Also, it's almost certain that it will be about 90 to 150 days before we receive a first response from the IRS depending on its workload etc., but the exemption, once granted, will be effective from the date of the Nonprofit Organization's formation.

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

**V.**  
**Legal Counsel for the Nonprofit Organization**

For your consideration, we also offer the Nonprofit Organization a package of three ongoing legal services, denominated our Quarterly Retainer Agreement, when serving as retained Legal Counsel: Registered Agent, an Annual Meeting, and Unlimited Conversations.

**1. Registered Agent.** As Registered Agent for the Nonprofit Organization, we will act as “gatekeeper” for any process or official notices that are served on it and advise you of action required.

On a yearly basis, we also will receive the Nonprofit Organization’s Annual Report and Annual Assessment from the State Corporation Commission and forward them to you (with appropriate instructions), for filing with the SCC and for retention in the Nonprofit Organization’s Minute Book.

We also will continue to follow up with you if the SCC contacts us about any missing or delinquent filings or payments – all to ensure that the Nonprofit Organization remains in current compliance with its filing and payment requirements under Virginia law.

**2. Annual Meeting.** We would like to meet with the Nonprofit Organization’s Executive Board or Board of Directors, at your office, once annually, so that we can together review any legal or operational issues affecting the Nonprofit Organization. We will contact you to schedule a mutually convenient time, and we ask that you please plan to schedule at least an hour for that meeting. We also will prepare an agenda of current discussion items that we can address on behalf of the Nonprofit Organization, including specific concerns and issues that you may have at that time.

**3. Unlimited Conversations.** Call or email me any time. You may have a question about the Nonprofit Organization, or want to discuss a fundraising proposal brought to it, or just brainstorm a new organizational or operational idea for the Nonprofit Organization – if so, I want you to contact me right away.

There’s **no charge** for us talking, whether by phone or email – and I’d like to hear from you more often, rather than less.

There’s an advantage to both of us by offering this service: you can talk with me anytime about the Nonprofit Organization and have the confidence that your lawyer is ready to answer your questions, without separate charge; and that allows me to stay closer in touch with the

Nonprofit Organization's current operations so that I can be of greater service to you and the Nonprofit Organization.

The value of unlimited conversations is that you will be better informed about a particular matter affecting the Nonprofit Organization because we discussed it first – and, based on experience, it's likely that many of the matters we talk about would be resolved by our conversations, without the need for further legal work.

**Note:** If legal work other than conversations is needed or requested (such as reviewing or preparing documents, handling a matter or a negotiation, delivering some other legal service, etc.), there would be additional fees for those legal services rendered, and I would quote a fee for such services, for your approval, before undertaking them. Similarly, if a legal service is needed or requested that I cannot provide because outside of my practice expertise, then I'll advise you of same and assist in securing other counsel for the Nonprofit Organization for that purpose.

**The Cost.** The annual legal fee we charge for the package of three services under our Quarterly Retainer Agreement is \$1,000 payable in \$250 increments four times a year.

We'll send the Nonprofit Organization an invoice on March 1, June 1, September 1, and December 1, each year, and, because we bill in arrears for the current and two preceding months, we'll request that you remit payment by March 10, June 10, September 10, and December 10, respectively.

We also will maintain the annual cost at the \$1,000 level for the 2010 and 2011 years.

**Is There an Alternative to the Quarterly Retainer Agreement?**

Yes, if you decide you do not desire the Quarterly Retainer Agreement, you can select the Annual Retainer Agreement – under it, we offer Registered Agent services, only [Section V, Paragraph 1., above]; the annual legal fee for the Annual Retainer Agreement is \$400, which is billed in arrears and paid in two (2) installments each year, with \$200 billed January 1<sup>st</sup> and payment requested by January 10<sup>th</sup>, and with \$200 billed July 1<sup>st</sup> and payment requested by July 10<sup>th</sup>.

**Note:** Under the Annual Retainer Agreement, all other legal services requested by the Nonprofit Organization, including for conversations, would be billed separately and in addition to the annual legal fee charged for the Annual Retainer Agreement.

If you decide that you do not want the Quarterly Retainer Agreement and if you do not want the Annual Retainer Agreement, then you can make that determination, following which, if I am serving as Registered Agent, I would resign as Registered Agent for the Nonprofit Organization – you would need to appoint another person to serve in that capacity and that person could be a Director of the Nonprofit Organization or another lawyer.

**How To Sign Up.** Within 30 days of the Nonprofit Organization's formation, we will send you a letter asking you to let us know if you'd like the aforesaid package of services delivered to the Nonprofit Organization, by initialing a copy of the letter and returning it to us in a stamped self addressed envelope we will provide for your mailing convenience.