

profits. In return, benefits depend on the state where the corporation is registered. A few states do allow for non-profit corporations to forgo paying sales tax. But again, the benefit is minimal if large sums of money are not generated.

Some NA service committees take on service delivery efforts like a convention or a service office. These commitments often place the committee in the position where they believe they must create a more complex legal entity, typically a 501(c)3 non-profit corporation. A corporation provides a measure of protection from personal liability and can help deal with tax reporting responsibilities. Creating a corporation can have far-reaching effects, both positive and negative. Forming a corporation typically requires a core group of several members willing to do the work necessary to set up the entity and to communicate the corporation's details to other NA members, sometimes over and over again. This is very important because as trusted servants rotate in and out of service, the understanding of the corporation's roles and responsibilities can be lost.

While it is possible to incorporate an area or regional committee, in most cases, a corporation is formed that is accountable to the ASC or RSC through a board of directors. This board is a subcommittee of the ASC or RSC. Once a corporation is created, it must be maintained following any applicable corporate regulations. These duties cannot simply be abandoned because members are unaware of the responsibilities or nobody wants to do the work or pay for the necessary services. Depending on the details of the law, a corporation can apply for and receive tax exemption from both state and federal income tax. However, reports must be prepared and filed with state and federal agencies if tax exemption is granted. Generally, non-profit corporations are not exempt from paying state sales tax on items they consume. Although we are a non-profit fellowship, without the appropriate legal status, that does not provide us the ability to forego paying sales tax for goods and services.

The creation of a non-profit corporation is intended to facilitate our interactions with the world around us, our external relationships, to support service efforts that require interacting with the world outside of NA. On the other hand, our internal relationships and communications have always been guided by the principles of our Twelve Traditions and Twelve Concepts, as articulated in our NA literature and service manuals, regardless of any corporate status with the IRS. From the Basic Text, Tradition Nine: "The Ninth Tradition goes on to define the nature of the things that we can do to help NA. It says that we may create service boards or committees to serve the needs of the Fellowship. They exist solely to serve the Fellowship. This is the nature of our service structure as it has evolved and been defined in the NA service manual."

All NA service committees are spiritually accountable to those they serve, regardless of legal status. Our Twelve Traditions and Twelve Concepts do not provide special exemptions for legal entities. And in fact, it is often most important to keep a firm grasp on the cautions offered in our Traditions if we form a corporation. From It Works: "The principle of humility also applies to the boards and committees spoken of in our Ninth Tradition. These boards and committees are established to serve only, not to govern. They are directly responsible to the groups and are always subject to the explicit direction of the groups."

One of the most common challenges associated with creating a corporation is that legally, they are an autonomous entity, independent and separate from all other entities. Further, the trusted servants responsible for overseeing the corporation can begin to get the sense that they are "experts" on what is best for the corporation. Over time, the understanding that all service committees in NA are accountable to those they serve can get lost. Some members forget that the corporation is intended to assist our external relationships, not our internal relationships, as discussed in the last segment. Common agreement and committed maintenance of the internal subordinate relationship discussed in our Ninth Tradition are essential to maintain lines of accountability and communication. The Second Tradition essay from the Basic Text reminds us: "Those of us who have been involved in service or in getting a group started sometimes have a hard time letting go... We must remember that offices have been placed in trust, that we are trusted servants, and that at no time do any of us govern."

If a service committee intends to create a non-profit corporation, one of the most important actions is to identify a connection between the corporation and the committee that created it in the Corporate By-laws and Articles of Incorporation. This simple precaution can serve the committee, especially over time, as trusted servants rotate through the committees.

Another approach that has worked for other committees is maintaining strong communication between the RSC or ASC and the trusted servants overseeing the corporation. These trusted servants are officers of the corporation and will attend the ASC or RSC and offer a report. It can also be a good idea for the ASC or RSC leadership to regularly attend the Board of Directors meetings. This can go a long way toward strengthening the collaborative energy that supports a healthy relationship between the service bodies. From It Works: "Communication is a two-way street...By maintaining regular two-way communication between NA groups and the boards and committees serving them, we create an atmosphere of responsibility that serves our Fellowship and its primary purpose well."