

Fundamentals of Alabama Benefit Corporations

B Corps aren't Benefit Corporations (necessarily) - Certified B Corps are companies audited by the nonprofit B Lab and validated to be good corporate citizens with triple bottom line business models. They get to brand themselves with the B Corp trustmark, similar to the way buildings can certify as LEED and chocolatiers as Fair Trade. In many states, B Lab requires corporations seeking to become Certified B Corps to convert to benefit corporations under their respective state laws. However, LLC's and even sole proprietors can become Certified B Corps.

Sweet Home Alabama - Alabama Benefit Corporations are governed under Alabama state law - not Delaware, not Federal, not Tribal - this is a southern thing, honey! Make sure you are following the Alabama statute, for instance how and when to publish your required impact reports.

Berries and Berries to the IRS - Your Alabama Benefit Corporation is treated like a typical corporation for tax purposes. There are no magic tax breaks here, but your accountant can guide you on what impact expenses may be deductible to a Benefit Corporation that otherwise aren't connected to the purpose of a standard corporation.

Roll Tide - An Alabama Benefit Corporation can't just file its benefit documents and call it a day. The Board of Directors must ensure the company rolls its early initiative forward into decisions that further the public benefit(s) identified in its incorporating and governing documents.

War Eagle Fearless and True - Alabama Benefit Corporations must be transparent in the actions they take in furtherance of their stated mission, including publishing periodic reports on what they're doing to advance benefitted groups and/or causes. Let them know how fearless and true you really are.

