What is a Benefit Corporation?
A Benefit Corporation gives entrepreneurs and investors an additional choice when determining which corporate form is most suitable to achieve their business objectives.
Benefit corporations:
1. Have an expanded purpose that goes beyond maximizing bottom line financial profit to explicitly include social, environmental, and economic impacts, or public benefits, to their stakeholders
2. Are required to consider/balance the impact of their decisions not only on shareholders but also on other stakeholders including employees, customers, communities, and the environment
3. Are required to make available to the public an annual benefit report that assesses their overall social and environmental performance using a third party standard

Why are Benefit Corporations important?
Benefit Corporations expand the obligations of boards of directors and officers, requiring them to consider social, environmental, and financial impacts. This gives directors and officers the legal protection and recognition to pursue triple-bottom-line outcomes and give equal consideration to social, environmental, and financial outcomes.
The recent Benefit Corporation legislation passed in Idaho provides a legal tool for mission driven and other socially conscious businesses and social entrepreneurs to establish a solid foundation for long term mission alignment and value creation. Businesses with Benefit Corporation status are also well positioned to protect their mission throughout capital raises and leadership changes, as it helps to ensure that businesses retain their commitment to their mission and stakeholders.

Are Benefit Corporations hybrid nonprofits?
No. Benefit Corporations are neither nonprofits nor hybrid nonprofits. They are for-profit companies that want to consider additional stakeholders, core values or missions in addition to generating revenue and creating financial return for their shareholders. Nonprofits cannot be benefit corporations.

Does being a Benefit Corporation affect a company’s tax status?
It does not affect a company’s tax status. A company elects to be taxed as a C or S corp. Benefit corporation status only affects requirements of corporate purpose, accountability, and transparency; everything else regarding corporation laws and tax law remains the same.

How do I create an annual benefit report?
Benefit Corporations are required to create an annual benefit report covering a number of topics, including a narrative of the ways in which the benefit corporation pursued general public benefit during the previous year. In the state of Idaho, Benefit Corporations are not required to file their benefit report with the Secretary of State, though they must be sent to each shareholder 120 days following the end of the fiscal year-end and posted to the public portion of the benefit corporation’s website. The report does not need to be certified or audited by a third party although this is recommended.
Are Benefit Corporations the same thing as Certified B Corporations?

No. Benefit Corporations are a form of business incorporation in the state where the business is headquartered, and is an alternative to other forms of incorporation, including S Corporations, C Corporations, Limited Liability Companies (LLCs), etc. Filing with the state as a benefit corporation creates a legal requirement to consider stakeholder needs, as well as social, environmental, and economic impacts. Certified B Corporations are certified by B Lab, a nonprofit organization, using their B Impact Assessment, as stakeholder driven businesses by demonstrating their policies and standards related to governance, workers, communities, environment and customers, and meeting a minimum score of 80 points on the assessment survey. This is a voluntary third-party assessment and certification process.

Please see the chart below for more information on the differences between Benefit Corporations and Certified B Corporations.

### Comparison of Certified B Corporations and Benefit Corporations

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Benefit Corporations</th>
<th>Certified B Corporations</th>
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<tbody>
<tr>
<td>Accountability</td>
<td>Directors are required to consider effects of decisions on shareholders, stakeholders, and officers</td>
<td>Same</td>
</tr>
<tr>
<td>Transparency</td>
<td>Company must publish a public report assessing its overall impact against a third-party standard</td>
<td>Same</td>
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<td>Performance</td>
<td>Self-reported</td>
<td>Verified by B Lab</td>
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<td>Ongoing verification</td>
<td>No ongoing verification other than reporting requirements</td>
<td>Must re-certify every two years</td>
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<tr>
<td>Support</td>
<td>No formal support from B Lab</td>
<td>Access to a portfolio of services and support from B Lab</td>
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<tr>
<td>Availability</td>
<td>Available in Idaho and other states that have passed benefit corporation legislation</td>
<td>Available to any private business in the world</td>
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<td>Fees</td>
<td>In Idaho, the filing fee is $100. The form can be found on the Secretary of State website</td>
<td>Annual B Corp certification fees range from $500 to $25,000 Fees are calculated on a company's annual sales</td>
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Information in this document has been cited in part from [http://benefitcorp.net/faq](http://benefitcorp.net/faq) and the B Corp Handbook.

Do you want to learn more about Benefit Corporations and B corporations?

The Responsible Business Initiative (RBI) at Boise State University hosts information workshops and training pertaining to Benefit Corporations and Certified B Corporations at locations across the Treasure Valley.

For more information, please visit the events page at [http://cobe.boisestate.edu/RBI](http://cobe.boisestate.edu/RBI)