

PLLC/PC FAQ's

The following information is provided as a courtesy to answer general questions regarding Professional Corporations/Professional Limited Liability Companies and the role of the NC Social Work Certification and Licensure Board. ***To ensure that you are receiving the most updated information and for guidance, social workers are encouraged to consult an attorney familiar with business and corporate law regarding forming a private practice, professional corporation, or professional limited liability company.***

Please be reminded that once you have obtained your Certificate of Registration (COR) and registered your company with the Office of the Secretary of State, the COR must be renewed annually with this Board.

Q-What is a Professional Corporation/Association (PC/PA) or Professional Limited Liability Company (PLLC)?

A-Professional Corporation/Association (PC/PA) – means a corporation which is engaged in rendering the professional services as specified and defined, pursuant to a certificate or registration that is issued by the Licensing Board regulating the professional practice.

B-Professional Limited Liability Company (PLLC) – means a limited liability company that is a unique form of business organization permitted to be established under North Carolina law, which is created by an Operating Agreement (rather than Articles of Incorporation for a corporation), owned by members (rather than shareholders of a corporation) and managed by managers (rather than officers and directors of a corporation). N.C. General Statute § 57D-2-02(a) explicitly permit a Professional Limited Liability Company to render professional services to the same extent as a professional corporation established under N.C. General Statute § 55B.

Q-How do I become incorporated?

A-The Board's role is to provide a Certificate of Registration (COR) that verifies licensure as a LCSW and compliance with the Professional Corporation Act or Professional Limited Liability Act. Once the COR is obtained from the Board, it must be filed with the Office of the Secretary of State, along with any other documentation and fees. The LCSW license is mandatory to be eligible to form a partnership/incorporation. [LCSWA licensees may also form a PLLC or PC; however, [Private Practice Approval](#) is required.] An [application for the Certificate of Registration](#) is available on the Board's website. Once a Certificate of Registration is issued, it must be renewed annually with the Board by January 1st of each year. Social Workers are also responsible for informing the Board of any changes associated with their professional entity including when the professional entity is dissolved.

Q-As an LCSW, can I incorporate or organize with others?

A-Yes, in some cases. Licensed Clinical Social Workers may form a Professional Corporation or Professional Limited Liability Company as a sole proprietor, incorporate with other Licensed Clinical Social Workers, and/or incorporate with other professionals as defined by the Professional Corporation Act. **Specifically, a PC or PLLC may be formed by and between or among an LCSW and a physician, licensed psychologist, certified clinical specialist in psychiatric and mental health nursing, licensed marriage and family therapist, or licensed professional counselor.**

Q-Am I required to have a physician or licensed psychologist as an officer or director of my professional corporation?

A-No. There was some confusion about this. HB 1785 was passed in the 2007 General Assembly to clarify that licensed clinical social workers are not required to have a physician or licensed psychologist as a director or shareholder in the professional corporation.

Q-Do I have to get a certificate of registration?

A-Yes, pursuant to the Professional Corporations Act, N.C. Gen. Stat. § 55B-10, "No professional corporation shall open, operate, or maintain an establishment for any of the purposes set forth in this Chapter without first having obtained a certificate of registration from the licensing board or boards." **The Certificate of Registration is required for all professional corporations (general or C Corporation, Subchapter or S Corporations, Close Corporations, PC, PA, etc.) as well as PLLC's.**

Q-If more than one type of professional service is offered, must a certificate of registration be obtained for each of those professional services?

A-Yes. If more than one type of professional services is rendered (i.e. social work, psychological, professional counseling, etc.), a Certificate of Registration must be obtained from the respective professional licensing boards for each of the professional services provided by the Professional Corporation or Professional Limited Liability Company.

Q-What can I call my corporation/company?

A-N.C. General Statute §55D-20 defines the name requirements for corporations and limited liability companies, provided that professional corporations may use the words "Professional Association", "PA", "Professional Corporation," or "PC". In summary, the name of the corporation must contain one of the following options: corporation, incorporated, company, or limited; or the abbreviation corp., inc., or ltd.; and the name of the limited liability company must contain the word "Professional" or the abbreviation "P.L.L.C." or "PLLC."

Q-How long is the certificate of registration effective?

A-The certificate of registration (COR) is issued upon review and approval of the appropriate application and accompanying Articles of Incorporation or Articles of Organization. Upon issuance, an expiration date will be assigned. The COR must be renewed annually by December 31 of each year. To renew the Certificate of

Registration, Licensed Clinical Social Workers are required to complete a [COR Renewal Affidavit](#) and submit to the Board along with the current renewal fee. If the corporation or limited liability company does not apply for renewal of its certificate of registration, the certificate shall be automatically suspended and the office of the Secretary of State will be notified.

Any changes in the organizations' name, officers, shareholders, agents, employees, or services provided by the corporation or limited liability company will require an amendment of the certificate of registration. Amendment notices shall be submitted to the respective Licensing Board(s).

Q-What are the fees for the corporation/organization?

A-The initial application fee is \$50 dollars and the annual renewal fee is \$25 dollars. Amendments to the COR require a fee of \$25.00 and shall be submitted within 30 days of any changes. In addition, social workers shall inform the Licensing Board within 30 days from the date the professional entity is dissolved.

Q-What are the limitations on formation of a professional corporation?

A-At least one incorporator must be a licensee, as defined in N.C. General Statute § 55B-2(2). For limited liability companies, members shall be treated in the same manner as shareholders of a professional corporation [N.C. General Statute § 57D-2-02(a)(3)]. At least one director and one officer must be a licensee, as defined in N.C. General Statute § 55B-2(2). Pursuant to N. C. General Statute § 57D-2-02(a)(7) managers and directors of limited liability companies shall be treated in the same manner as directors of a professional corporation.

Q-What are the limitations on ownership of capital stock?

A-Generally, shares of capital stock may only be held by a licensee, as defined in N.C. General Statute § 55B-2(2). A "licensee" means any natural person who is duly licensed by the appropriate licensing board to render the same professional services which will be rendered by the professional corporation of which he/she is, or intends to become, an officer, director, shareholder or employee.

Q-How long does the application process usually take?

A-The review process may take a minimum of 21 days upon receipt of a completed application for Certificate Of Registration (COR) or COR Renewal Affidavit, including all required documents.