

# What is the BMS Building Corporation?

By Leslie Hittner

With all of the publicity surrounding Bluffview's new building expansion project, there have been many questions about the BMS Building Corporation. I will structure this paper in the form of a set of Frequently Asked Questions (FAQs). This is a format familiar to many in this Internet age.

- **Exactly what is the BMS Building Corporation?**

The BMS Building Corporation is a Minnesota nonprofit corporation that was chartered on October 1, 1999. The BMS Building Corporation was also designated as a 501(c)(3) tax exempt organization by the Internal Revenue Service on December 23, 1999. The Corporation was chartered as a support organization for Bluffview Montessori School, a Minnesota Charter School.

- **How did the BMS Building Corporation come about?**

Bluffview, as a Minnesota charter school, cannot itself use public funding to build a schoolhouse. It can, however, use state *Lease Aid* to pay rent to a landlord for such a building. When Bluffview Montessori School decided it needed a building of its own, it became necessary to seek out a landlord who would promise to build and dedicate the services of a new school building solely to Bluffview. That assurance could only be provided by creating a "landlord" that Bluffview Montessori School controlled. That landlord is the BMS Building Corporation.

- **Who owns the BMS Building Corporation?**

The BMS Building Corporation is owned by Bluffview Montessori School. Bluffview Montessori School is the sole member of the BMS Building Corporation.

- **How are members elected to the BMS Building Corporation Board of Directors?**

The board of directors of the BMS Building Corporation consists of three members who are appointed by the Bluffview Montessori School Board of Directors. At least two of the directors must also be members of the Bluffview Montessori School Board. The third member has historically been the Director of Operations of the school, although this need not be the case.

- **What role does the BMS Building Corporation play in the operations of Bluffview Montessori School?**

The building corporation seeks financing for, designs, and constructs schoolhouses for Bluffview Montessori School. It then leases these schoolhouses to the school for its legitimate educational use. The building corporation, as a landlord, also has certain responsibilities for maintaining the buildings at all times.

- **What other types of activities may the BMS Building Corporation engage in?**

The corporation may engage in fundraising activities to support new construction, modification, expansion, and building maintenance and repair. As a 501(c)(3) tax-exempt organizations, private donations to the BMS Building Corporation are subject to contribution deduction rules.

- **Are there any limitations on the activities of the BMS Building Corporation?**

Yes. The corporation must restrict its activities to those that involve providing schoolhouse facilities to Bluffview Montessori School. It cannot provide other types of school support to Bluffview and it cannot provide schoolhouse facilities to any other private, public, or charter school.

*Bluffview Montessori School*



*April 3, 2001*

**Bluffview Montessori School – Occupied November 14, 2000**