

**Four Government Agencies Involved in Nonprofit Incorporation  
And On-going Management  
March 2006 – Draft**

Government Agency	Nonprofit Incorporation		Nonprofit Management		
	What to File & Fee	Purpose	What to Report & Fee	Frequency	Conditions
California Secretary of State	Articles of Incorporation \$_____	To become a legal corporation in the state of California. Approx. 9 months to process. Will receive an "initial letter of determination" good for 3-5 years.	Statement of Domestic Nonprofit Corporation \$_____	After 3-5 years of "initial letter of determination" (or annually)	Application for permanent status.
Internal Revenue Service	Form 1023 \$_____	To gain exemption from Federal income taxes, once incorporated.	Form 990 \$_____	Annually Due Nov. 15	Required if income over \$25,000. Can file up to two 3-month extensions.
California Franchise Tax Board	Form FTB 3500 \$25.00	To gain exemption from State income taxes, once incorporated.	Form 199 \$_____	Annually Due Nov. 15	Complete and file at the same time as filing Form 990.
Attorney General of California/ Registry of Charitable Trusts	Registration Form CT-1 <i>Once receive tax exemption, will receive a Notice to Register</i> \$_____	Required registration. Enforces CA nonprofit law, "watchdog".	RRF-1 \$_____		Schools, hospitals and religious corporations are not required to file with the RCT.

Note: It is suggested to prepare Articles of Incorporation, Bylaws, Form 1023 and Form 3500 prior to submitting the Articles of Incorporation to ensure that all federal and state tax and legal obligations have been considered prior to becoming incorporated.

Foundation Notes

- The California Secretary of State doesn't attempt to determine whether your organization is a private foundation or public charity when filing your Articles of Incorporation. It is the IRS that will ultimately determine your 501(c)(3) status. Then, you must still apply to be exempt through the California Franchise Tax Board.
- Foundations are governed by a different set of laws pertaining to who you can receive funds from, the percentage of donations that can be deducted, and how funds are used.
- The Resource Center for Nonprofit Management recommends that you consult a qualified attorney that specializes in working with nonprofits/foundations to assist in setting up a foundation or to set up a nonprofit organization.