

The Resource Center for Nonprofit Management Checklist – Organizing a Nonprofit Corporation

This checklist was developed to assist individuals in organizing a nonprofit corporation. There are many sub-steps and legal requirements associated with each step. In order to complete the paperwork correctly, we advise you to: consult with an attorney that specializes in nonprofit organizations, research firms or organizations that provide corporation preparation services and/or use self-help manuals and tools such as the California Nonprofit Corporation Kit and www.nolo.com.

As of April 2006, the Resource Center will be providing nonprofit establishment services and support for a reasonable fee. The Resource Center can also provide you with referrals to local attorneys and other professionals that specialize in nonprofit law and services. Call us at 951.686.4402.

Started	Complete	STEPS
Organize the Nonprofit Corporation		
		1. Choose a Corporate Name
		Ensure the name meets CA Secretary of State requirements
		Choose a name not being used
		Cannot use "bank", "trust" or "trustee"
		Avoid names that sound like businesses, established leagues or organizations
		Name Availability Info Online: http://www.sos.ca.gov/business/be/name-availability.htm
		Or send "Name Availability Inquiry Letter" from the above website to: Secretary of State Name Availability Unit 1500 11th Street, 3rd Floor Sacramento, CA 95814
		Reserve your corporate name. To request the reservation of a corporation name, complete the Name Reservation Request Form from the following web page: http://www.sos.ca.gov/business/be/name-availability.htm#reserving . For more info, call 916.657.5448
		To check federal names and trademarks, go online to http://www.uspto.gov . Also check national yellow pages online.
		2. Prepare Articles of Incorporation
		Ensure that paperwork is submitted in compliance with formatting regulations
		There are different guidelines for public benefit corporations from religious corporations
		3. Prepare Articles for an Unincorporated Association (if applicable)
		Collective organizations according to a formal set of ground rules.
		Example can be a church organized by a Church Charter, governed by a board or elders...

		6. Prepare State Tax Exemption Application, For FTB 3500
		Ensure you have the latest forms: go to http://www.ftb.ca.gov , then click > Businesses > Business Structures > Charities and Nonprofits (Exempt organizations) > The Tax-Exemption Process > Applying for tax-exempt status > FTB 3500, Exemption Application
		Or go to: go to http://www.ftb.ca.gov , and search for FTB 3500
		7. Prepare Attachments, Sign, Copy & Mail
		Attachments: File-stamped Articles of Incorporation, financial documents, statement of purpose, specific activities, sources of funding and fundraising plans, statement of newly formed corporation, disclosures of lease or property, promotional material statement and/or samples.
		Mail to Exempt Organizations Section, Franchise Tax Board, P.O. Box 942857, Sacramento, CA 94257-4041
		In rare cases, you can hand-walk the application in and get it processed or get the process started. But you must have a compelling reason, for example: you need it to make a grant application deadline.
File Your Articles		
		8. Consolidate Your Papers, Set up Corporate Records System
		9. Make copies of Articles
		Use for: corporate records book, two copies certified by Secretary of State and returned, to send with Form 3500 and to send with Form 1023 (keep copy of certified copies), for public benefit corporations - one copy submitted to the Secretary of State and forwarded by that office to the Attorney General, Registry of Charitable Trusts, keep copies for records and future use.
		10. File Your Articles of Incorporation
		Include cover letter to Secretary of State
		Enclosed latest fee. Check fees at http://www.sos.ca.gov/business/be/forms.htm , or call 916.657.5448 (option 2 > 1 > 2)
		For faster processing, these documents can be filed in person for \$15 extra (on a separate check) at any branch office of the Secretary of State.
		11. Prepare and File Your Federal Tax Exemption Application
		Prepare User Fee Form 8718??
		The Application (activities, requirements, financial data, etc.)
		12. Mail Application

Next Steps		
		13. Mail IRS Letter to Franchise Tax Board
		14. Set Up a Corporate Records Book
		15. Prepare Minutes of the First Board Meeting
		16. Place Minutes and Attachments in Corporate Records Book
(For Existing Organizations Only)		
		Comply with Bulk Sales Law (a few existing organizations)
		Prepare Bill of Sale for Assets (Optional)
		Prepare Assignments of Leases and Deeds (Optional)
		File Final Papers for Prior Organizations (Optional)
		Notify Creditors of Prior Organization
Final Steps		
		17. Apply for Nonprofit Mailing Permit (Optional)
		18. Apply for Property Tax Exemption (Optional)
		19. File Domestic Corporation Statement
		20. Register with Attorney General (Public Benefit Corporations)
		21. Issue Membership Certificates (Membership Corporations - Optional)
		22. File Articles with County Recorders (Certain Existing Unincorporated Associations)
		23. Register with Fair Political Practices Commission (Political Groups)

Source: Mancuso, A., (2001). The California Nonprofit Corporation Kit by Attorney Anthony Mancuso, Third Edition. Nolo; Berkeley, CA

Also: www.nolo.com is a self-help law center to understand legal terms and other resources.