

## Nonprofit Compliance Checklist



Have you ever wished for a better way to keep track of your nonprofit's compliance responsibilities every year? You're not alone. **That's why CalNonprofits has compiled this handy comprehensive checklist to help nonprofit 501(c)(3) organizations -- charities -- keep up-to-date with annual filing requirements.** All in one place, with links to the resources you need if you have questions.

**Want to see a presentation on these requirements?** You can watch a webinar with Erin Bradrick, Senior Counsel at NEO Law Group and Jan Masaoka, CEO of CalNonprofits. The webinar is free for CalNonprofits members and \$10 for not-yet members. [Click here](#) for more information and to order the webinar recording.

California nonprofits have many forms to file each year, some with various departments of the State of California, others with the federal IRS.

Key state offices include:

- **California Franchise Tax Board:** determines -- along with the federal IRS -- whether an organization qualifies for state tax-exemption and whether donations may be tax-deductible.
- **California Secretary of State:** oversees requirements for transacting business within California.
- **Attorney General's office:** regulates the registration and reporting requirements for charities and fundraisers operating in California through its Registry of Charitable Trusts (Registry). Lawyers and auditors in its legal division investigate complaints and enforce laws related to nonprofits.

To find out if you have missed any state filings, go to [this page](#) at the California State Registry of Charitable Trusts. Type in the name of your nonprofit and it will show you as being "Current," "Delinquent," "Not Registered," or "Suspended." (**Tip:** If the database doesn't find your organization, try using your FEIN rather than your name. And the database can take up to two minutes to return a search result, so be patient!)

If your organization is listed as suspended or delinquent by the Attorney General's Registry of Charitable Trusts, review the [Frequently Asked Questions](#) (FAQs) on curing delinquency or use [this link](#) to email the Attorney General's office and ask for assistance. Our members have

found the AG's staff to be cordial and helpful. Please be aware that failure to remedy delinquencies may lead to the issuance of penalties and even revocation of your tax-exempt status.

## California Forms



### Forms for all 501(c)(3) nonprofits

1. **All registered charities**, regardless of receipts or assets (except those specifically exempted such as religious congregations, hospitals, and schools) must file the Annual Registration Renewal Fee Report ([RRF-1 Form](#)) no later than four months and 15 days after the close of the organization's calendar or fiscal year (e.g., if the fiscal year ends on December 31, this form is due on May 15). The purpose of Form RRF-1 is to assist the Attorney General's Office with early detection of charity fiscal mismanagement and unlawful diversion of charitable assets. This form requires a fee of between \$0 and \$300 based on your organization's total revenue that year.

Note: The RRF-1 requires that if you had revenue of \$25,000 or more you must attach a copy of your 990, 990EZ or 990PF.

**NEW in 2020: Nonprofits with gross receipts of less than \$50,000** in a fiscal year must file the Annual Treasurer's Report ([CT-TR-1 Form and Instructions](#)) along with Form RRF-1 when they renew their registration with the Attorney General's office.

2. **Nonprofit with gross receipts of more than \$50,000 in the year** must file the Exempt Organization Annual Information Return ([FTB Form 199](#)) ([Instructions](#)) – This is the State of California's annual return; fees are \$10 if on time and \$25 if late (with some variations for certain types of nonprofits). This form must be filed on or before the 15th day of the fifth month after the close of your organization's fiscal year (for example, if the year ends December 31, the form is due no later than May 15). Private foundations are required to file Form 199 regardless of the gross receipts amount.

*Exception:* If your nonprofit had \$50,000 or less in gross receipts, instead of Form 199 you should file the Annual Electronic Filing Requirement for Small Exempt Organizations [FTB 199N](#) (the "California e-Postcard") -- this no-cost form has the same due dates as FTB Form 199.

*Extension of time to file:* If your organization is not under suspension on the due date of the 199 or the 199N, you will be given an automatic extension of seven months. No need to apply for the extension.

3. **All nonprofits** must file the Statement of Information ([Form SI-100](#)) every 2 years – The purpose of Form SI-100 is to assist the Secretary of State in maintaining updated information about California corporations. The form may be [filed electronically](#). The form is \$20 and is due within 90 days of filing of the initial Articles of Incorporation and thereafter is due every two years during the calendar month that the Articles of Incorporation were filed and can be filed up to five months in advance of that date.

**Forms for some nonprofits**

4. **Nonprofits with employees or independent contractors:** There are very few differences between nonprofits and for-profits when it comes to employment laws and regulations. See the “Forms and Due Dates” section of the [California Employer’s Guide](#).

5. **Nonprofits seeking a welfare exemption from property taxes** must file the annual California Board of Equalization [Form 267-A](#) with your County Assessor. (Note this is a sample form; the actual form is available through your county assessor.) A list of county assessors' contact information is [here](#).

6. **Organizations with declared political or legislative activities** must file the Political or Legislative Activities by Section 23701d Organizations Form ([Form 3509](#)) – The purpose of Form 3509 is to declare political or legislative activities by Section 23701d tax-exempt organizations that elect to make limited expenditures to influence legislation. This form must be attached to Form 199. For more on whether you need to file the annual Form 3509 -- please see this [helpful information from Bolder Advocacy](#)

7. **Nonprofits with unrelated business income (UBI)**, must file Exempt Organization Business Income Tax Return ([FTB Form 109](#)) ([Instructions](#)) – This form must be filed for years when you had gross income of more than \$1,000 from a trade or business unrelated to your exempt purpose. The form must be filed on or before the 15th day of the fifth month after the close of the fiscal year (for example, if the year ends June 30, the form is due no later than November 15).

8. **Nonprofits that sold items in California, or purchased items but did not pay sales tax** (for example, through the internet):

For the most part, nonprofits must follow the same rules as others when it comes to sales tax and use tax. Exemptions are detailed and specific, with special rules pertaining, for example, to museums purchasing art, friends of libraries selling books, veterans organizations selling American flags, thrift stores benefiting people with AIDS or HIV, sales of food at youth sports events with free admission, and so forth. See this [Tax Guide for Nonprofit Organizations from the California Department of Taxes and Fees \(CDTFA\)](#) for the complete set of rules and a list of required forms.

9. **Nonprofits that had a raffle or that are planning a raffle:**

- **Nonprofit Raffles Checklist** - A [checklist](#) of forms and deadlines for nonprofits conducting a raffle
- **Nonprofit Raffle Registration Form (CT-NRP-1)** - Form to be submitted by nonprofits conducting a raffle from September 1 through August 31. This form must be submitted and approved before conducting a raffle.
- **Nonprofit Raffle Report (CT-NRP-2)** - Use this form to report all raffles conducted during the reporting year. This form is due on or before October 1.
- **Nonprofit bingo, charity poker, or “Monte Carlo” night?** These games use devices (unlike raffles) and so [are regulated](#) by the Bureau of Gambling Control in the State Department of Justice (see the laws [here](#)). Pre-approval is required (estimate 30 days for the approval process). Not all California counties permit these games, and some may have additional rules. The [Charitable Gambling Registration](#) form can be filed online and requires a \$100 fee.

## U.S. Federal Forms



### U.S. Federal Government: Internal Revenue Service

All nonprofits must annually file **one** of the following three forms:

- **Return of Organization Exempt from Income Tax (Form 990) (Instructions)** – This is the federal government’s annual information return for tax-exempt organizations. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).
- **Short form Return of Organization Exempt from Income Tax (Form 990-EZ) (Instructions)** – Tax-exempt organizations with gross receipts less than \$200,000 and total assets at the end of the tax year less than \$500,000 can opt to file this form rather than Form 990. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).
- **Annual Electronic Filing Requirement for Small Exempt Organizations (Form 990-N)** – This is the federal government’s annual information return for tax-exempt organizations that normally have gross receipts of \$50,000 or less. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15); extended due dates are not applicable.
- If you are a private foundation, you must file [Form 990PF](#). ([Instructions](#))

If you have **unrelated business income**, file Exempt Organization Business Income Tax Return ([Form 990-T](#)) ([Instructions](#)) – Form 990-T is used by a tax-exempt organization to report unrelated business income if it has gross income of \$1,000 or more from a regularly conducted unrelated trade or business. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).

**Please note that the above list does not include forms related to employees, healthcare provision, facility management, or other forms not specifically for nonprofits.**

## Other Useful Resources

### CALIFORNIA ATTORNEY GENERAL FORMS

Additional forms and recommended publications are available through the Attorney General’s website:

- Attorney General’s Guide for Charities - The [guide](#) provides practical information and answers to questions frequently asked about charities and summarizes some of the laws governing nonprofits that were updated in 2017.
- Initial Registration with the Registry of Charitable Assets ([Form CT-1](#)) - Form used by all charitable corporations to register with the Registry of Charitable Assets. The form is due within 30 days of initially receiving assets.
- Annual Commercial Fundraiser Registration Form ([Form CT-1CF](#)) - Annual registration form used by commercial fundraisers to register with the Registry of Charitable Trusts. It must be completed prior to soliciting any funds. The form is due January 15 of the applicable year. Note that there are other filing requirements, including the submission of a Surety Bond Form, the Notice of Intent Form and Annual Financial Reports.
- Annual Fundraising Counsel Registration Form ([Form CT-3CF](#)) - Annual registration form used by fundraising counsel for charitable purposes to register with the Registry of Charitable Trusts. Fundraising counsel must register before planning, managing, advising, counseling, consulting or preparing a charitable solicitation. The form is due January 15 of the applicable year. Fundraising Counsels also need to file a Notice of Intent form.
- General Guide for Dissolving a Nonprofit Corporation - [Guide](#) outlining the steps that should be taken to dissolve a California nonprofit organization.
- Registry of Charitable Trusts - This is the [search page](#) for the Attorney General’s Registry of Charitable Trusts

- Complaint to the California Attorney General regarding a charity or charitable solicitation - This [form](#) can be used to file a complaint for misuse of charitable assets or fraudulent fundraising practices.

## **CALIFORNIA SECRETARY OF STATE FORMS**

Some of the forms available through the Secretary of State website:

- Articles of Incorporation of a **Nonprofit Mutual Benefit Corporation** - This [form](#) can be filed as the corporation's Articles of Incorporation. Mutual benefit corporations are formed for the benefit of their members (e.g., a homeowners association). Corporate filing tips can be found [here](#).
- Articles of Incorporation of a **Nonprofit Public Benefit Corporation** - This [form](#) can be filed as the corporation's Articles of Incorporation. A public benefit corporation is formed for the public's benefit; it is typically a 501(c)(3). Corporate filing tips can be found [here](#).
- Articles of Incorporation of a **Nonprofit Religious Corporation** - This [form](#) can be filed as the corporation's Articles of Incorporation. Corporate filing tips can be found [here](#).
- **Amendment of a California Nonprofit Corporation's Articles of Incorporation** - This [form](#) is used to amend provisions of the Articles of Incorporation.
- **Restatement of a California Nonprofit Corporation's Articles of Incorporation** - This [form](#) is used to file a restatement of the Articles of Incorporation.
- **Certificate of Election to Wind Up and Dissolve** ([Form DISS NP](#)) - Form filed with the Secretary of State to dissolve a nonprofit corporation.
- **Registration of an Unincorporated Nonprofit Association** - [Form](#) used to register an unincorporated nonprofit association.

## **CALIFORNIA FRANCHISE TAX BOARD**

- [Information Page for Exempt Organizations](#)
- [California Franchise Tax Board Exempt Organizations Forms](#)
- Exemption Application ([Form 3500](#)) - Form used to file for tax exempt status from California's franchise and income tax.

## **BOARD OF EQUALIZATION**

Nonprofit Property Tax Exemption - Real and personal property owned by certain nonprofit organizations may be exempt from California Property Tax. This tax exemption is known as the welfare exemption and is managed by the Board of Equalization and the County Assessors offices. You can learn more about the exemption [here](#).

## INTERNAL REVENUE SERVICE FORMS

- [Information Page for Charitable Organizations](#)
- [Before Applying for Tax Exempt Status](#)
- [Applying for tax exempt status](#)
- Application for Recognition under Section 501(c)(3) ([Form 1023](#)) – This is the application for seeking 501(c)(3) recognition. You can find the interactive application with tips [here](#).
- Application for Recognition under Section 501(c)(3) ([Form 1023 EZ](#)) – This is the short form application for seeking 501(c)(3) recognition. Your organization must meet certain criteria to file the short form. You can check your eligibility and find instructions for the form [here](#).

## FROM CALNONPROFITS

- [How To Start a California Nonprofit](#)
- [Causes Count: A Report on the Economic Power of California's Nonprofit Sector](#)

*This resource is provided for informational purposes only and does not constitute legal advice. CalNonprofits encourages nonprofits to seek assistance from qualified professionals for guidance on what federal and state and filing obligations.*

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The California Association of Nonprofits -- CalNonprofits -- is a statewide "chamber of commerce" for nonprofits. With more than 10,000 members, CalNonprofits is a voice for nonprofits to government, the philanthropic community, and the general public. In addition, CalNonprofits provides resources such as this Compliance Checklist in the space where government and nonprofits meet. CalNonprofits members enjoy extensive benefits including access to an array of affordable employee health care plans, D&O insurance, workers compensation insurance, and discounts on office supplies, background checks, HR resource library, and more.