

## ORGANIZATION OF CALIFORNIA NONPROFIT, NONSTOCK CORPORATIONS

California nonprofit, nonstock corporations organized for religious, charitable, social, educational, recreational or similar purposes are formed under the Nonprofit Corporation Law, commencing with California Corporations Code [Section 5000](#).

The three primary types of nonprofit corporations, namely, religious, public benefit and mutual benefit, are described below.

- A. A corporation organized to operate a church or to be otherwise structured for primarily religious purposes is a nonprofit RELIGIOUS corporation.
- B. A corporation organized primarily for charitable purposes and which plans to obtain state tax exempt status under [Section 23701d](#) of the Revenue and Taxation Code and/or federal tax exempt status under [Section 501\(c\)\(3\)](#) of the Internal Revenue Code or organized to act as a civic league or a social welfare organization and which plans to obtain state tax exempt status under [Section 23701f](#) of the Revenue and Taxation Code and/or federal tax exempt status under [Section 501\(c\)\(4\)](#) of the Internal Revenue Code is a nonprofit PUBLIC BENEFIT corporation.
- C. A corporation for other than religious, charitable, civic league or social welfare purposes and planning to obtain tax exempt status under provisions other than [Sections 23701d](#), [23701f](#), [501\(c\)\(4\)](#) or not planning to be tax exempt at all is a nonprofit MUTUAL BENEFIT corporation.

The attached samples have been drafted to meet minimum statutory requirements. The samples may be used as a guide in preparing documents to be filed with the Secretary of State. You must determine the type of nonprofit corporation to be formed and follow the applicable sample. It is, however, suggested that you seek private counsel for advice regarding the proposed corporation's specific needs, which may require the inclusion of special permissive provisions.

The fee for filing Articles of Incorporation for a nonprofit, nonstock corporation is \$30.00. Check(s) should be made payable to the Secretary of State.

**PLEASE NOTE:** Nonprofit corporations are subject to California corporation franchise tax requirements until such time as they formally dissolve **unless** a determination of exemption is issued by the Franchise Tax Board. Application for a determination of exemption must be made **after incorporation** by mailing the attached Exemption Application (FTB Form 3500), along with an endorsed copy of the Articles of Incorporation and any other supporting documentation, to the Franchise Tax Board, Post Office Box 942857, Sacramento, California 94257-4041. Information regarding franchise tax exemption can be obtained from the [Franchise Tax Board's Internet Web site](#) or by calling the Franchise Tax Board at (916) 845-4171. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board.

The original and at least four copies of the Articles of Incorporation should be included with your submittal. The Secretary of State will certify two copies of the filed document without charge, **provided that the copies are submitted to the Secretary of State with the original to be filed**. Any additional copies submitted with the original will be certified upon request and payment of the \$8.00 per copy certification fee.

Documents can be mailed or hand delivered for over-the-counter processing to the Sacramento office at:

Business Programs Division (916) 657-5448  
1500 11<sup>th</sup> Street  
Sacramento, CA 95814  
Attention: Document Filing Support Unit

**OR**

can be hand delivered for over-the-counter processing to any of the regional offices located in:

◆ Fresno (559) 445-6900  
1315 Van Ness Avenue, Suite 203  
Fresno, CA 93721-1729

- ◆ Los Angeles (213) 897-3062  
The Ronald Reagan Building  
12<sup>th</sup> Floor South Tower, Room 12513  
300 South Spring Street  
Los Angeles, CA 90013-1233
- ◆ San Diego (619) 525-4113  
1350 Front Street, Suite 2060  
San Diego, CA 92101-3609
- ◆ San Francisco (415) 904-2344  
121 Spear Street, Suite 420  
San Francisco, CA 94105-1584

- NOTE:**
- Cash is not accepted in the Fresno, Los Angeles or San Diego regional offices.
  - Duplicate original documents must be submitted when filing with any of the regional offices.
  - Regional offices do not process mailed in documents.

A \$15.00 **special handling fee** is applicable for processing documents delivered in person at the public counter in the Sacramento office or in any of the regional offices located in Fresno, Los Angeles, San Diego and San Francisco. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be retained whether the documents are filed or rejected. The special handling fee does not apply to documents submitted by mail to the Sacramento office.

Preclearance or expedited filing of *eligible corporate documents* can be requested in a specified time frame, for an additional fee (in lieu of the \$15.00 special handling fee), as described in the [Preclearance/Expedited Filing Service Information](#). The preclearance/expedited filing service is not available in the regional offices.

When forming a new corporation you may need to contact one or more of the following agencies for additional information:

- ◆ The [Franchise Tax Board](#) - for information regarding **exemption** and/or **franchise tax** requirements.
- ◆ The [Board of Equalization](#) - for information regarding **sales tax** and/or **use tax** liability.
- ◆ The [Department of Justice](#) - for information regarding **charitable trust** requirements.
- ◆ The [Employment Development Department](#) - for information regarding **disability unemployment insurance tax**.
- ◆ The [Department of Industrial Relations](#), Division of Worker's Compensation - for information regarding **workman's compensation** requirements.
- ◆ The [city and/or county clerk and/or recorder](#) where the principal place of business is located - for information regarding business licenses, fictitious business names (if doing business under a name other than the corporate name), and for specific requirements regarding zoning, building permits, etc. based on the activities of the corporation.
- ◆ [The Internal Revenue Service](#) (IRS) - for information regarding **federal employer identification numbers**.

The Secretary of State does not license corporations or business entities. For licensing requirements, please contact the city and/or county where the principal place of business is located and/or the state agency with jurisdiction over the activities of the organization.

## INSTRUCTIONS:

Using the attached sample as a guide, Articles of Incorporation must be drafted to include all required provisions and may include other provisions, such as the names and addresses of the initial directors, if those provisions are permitted under California law. The Secretary of State's office, however, does not provide samples that include permissive provisions. The document **must** be typed with letters in dark contrast to the paper. Documents that would produce poor quality microfilm will be returned unfiled.

Article I – The Articles must include a statement of the name of the corporation, which name must be exactly as you want it to appear on the records of the Secretary of State.

Article II A –

Mutual Benefit Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified.

Public Benefit Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified except to include the applicable purpose description.

Religious Corporation – This **exact** statement is required by the California Corporations Code and cannot be modified.

Article II B – A statement describing the specific purpose should to be included and, in fact, must be included if the corporation is organized for public purposes or if the corporation intends to apply for state franchise tax exemption.

Article III – The Articles must include a statement as to the name and California address of the initial agent for service of process. The designated agent, whether an individual or a corporation, **must** agree to accept service of process on behalf of the corporation prior to designation. A corporation cannot designate itself as its own agent for service of process. When designating another corporation as agent, that other corporation **must have previously filed a [Certificate Pursuant to Section 1505, California Corporations Code](#)**, with the Secretary of State. When a corporate agent is used, the address of the designated corporation must be omitted.

Article IV and Article V (where applicable) – The Franchise Tax Board requires this language before state tax exemption may be granted.

The Articles of Incorporation must be originally signed by an incorporator, or by directors, if initial directors have been named in the document. If directors are named, each director must both sign and acknowledge the articles. The names of incorporators or directors must be typed beneath their signatures.

The original and at least two copies of the Articles of Incorporation, together with the applicable fee, must be mailed or hand delivered to the Secretary of State's office. (If documents are filed in the Fresno, Los Angeles, San Diego or San Francisco regional office, a duplicate original is also required).

To facilitate the processing of documents mailed to our office, a self-addressed envelope and a letter referencing the corporate name as well as your own name, return address and telephone number should also be submitted.

**ARTICLES OF INCORPORATION**

I

The name of this corporation is \_\_\_\_\_ *(NAME OF CORPORATION)* \_\_\_\_\_.

II

A. This corporation is a nonprofit **MUTUAL BENEFIT CORPORATION** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to \_\_\_\_\_  
\_\_\_\_\_.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State **CALIFORNIA** Zip \_\_\_\_\_

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

\_\_\_\_\_  
*(Signature of Incorporator)*  
*(Typed Name of Incorporator)*, Incorporator

**ARTICLES OF INCORPORATION**

I

The name of this corporation is \_\_\_\_\_ *(NAME OF CORPORATION)* \_\_\_\_\_.

II

A. This corporation is a nonprofit **PUBLIC BENEFIT CORPORATION** and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for:

- ( ) **public** purposes.
- or ( ) **charitable** purposes.
- or ( ) **public and charitable** purposes.

B. The specific purpose of this corporation is to \_\_\_\_\_  
\_\_\_\_\_.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State **CALIFORNIA** Zip \_\_\_\_\_

IV

- A. This corporation is organized and operated exclusively for **charitable** purposes within the meaning of Section 501(c)(3), Internal Revenue Code.
- B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to **charitable** purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for **charitable** purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

\_\_\_\_\_  
*(Signature of Incorporator)*  
*(Typed Name of Incorporator)*, Incorporator

**ARTICLES OF INCORPORATION**

I

The name of this corporation is \_\_\_\_\_ *(NAME OF CORPORATION)* \_\_\_\_\_.

II

A. This corporation is a **RELIGIOUS CORPORATION** and is not organized for the private gain of any person. It is organized under the Nonprofit Religious Corporation Law exclusively for religious purposes.

B. The specific purpose of this corporation is to \_\_\_\_\_  
\_\_\_\_\_.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State **CALIFORNIA** Zip \_\_\_\_\_

IV

A. This corporation is organized and operated exclusively for religious purposes within the meaning of Section 501(c)(3), Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to religious purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for religious purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

\_\_\_\_\_  
*(Signature of Incorporator)*

*(Typed Name of Incorporator)*, Incorporator