



Secretary of State
Business Programs Division

1500 11th Street, 3rd Floor
Sacramento, CA 95814

Business Entities
(916) 657-5448

Organization of California Nonprofit, Nonstock Corporations

California nonprofit, nonstock corporations organized for religious, charitable, social, educational, recreational or similar purposes are formed pursuant to 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 or exclusively religious purposes is a nonprofit **Religious** corporation.
- B. A corporation organized primarily or exclusively for charitable purposes and which plans to obtain state tax exempt status under California Revenue and Taxation Code section 23701(d) and/or federal tax exempt status under Internal Revenue Code section 501(c)(3) or organized to act as a civic league or a social welfare organization and which plans to obtain state tax exempt status under California Revenue and Taxation Code section 23701(f) and/or federal tax exempt status under Internal Revenue Code section 501(c)(4) is a nonprofit **Public Benefit** corporation.
- C. A corporation organized for other than religious, charitable, civic league or social welfare purposes and planning to obtain tax exempt status under provisions other than California Revenue and Taxation Code sections 23701(d) and 23701(f), Internal Revenue Code section 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 suggested that you seek private counsel for advice regarding the proposed corporation's specific needs, which may require the inclusion of special article provisions. The Secretary of State does not provide a standardized form due to the many possible drafting variations.

Where to File

Documents can be hand delivered to any office location for over-the-counter processing between the hours of 8:00 am and 4:30 pm, Monday through Friday (excluding holidays) or mailed to the Sacramento office. The mailing address and office locations are as follows:

Sacramento Office
Business Entities Section
1500 11th Street, 3rd Floor
Sacramento, CA 95814
(916) 657-5448

Mailing Address
Document Filing Support Unit
P O Box 944260
Sacramento, CA 94244-2600

San Francisco Regional Office
455 Golden Gate Avenue, Suite 14500
San Francisco, CA 94102
(415) 557-8000

Los Angeles Regional Office
300 South Spring Street, Room 12513
Los Angeles, CA 90013
(213) 897-3062

San Diego Regional Office
1350 Front Street, Suite 2060
San Diego, CA 92101
(619) 525-4113

To facilitate the processing of documents mailed to our Sacramento 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. Please refer to our Business Entities Mail Processing Times web page at http://www.sos.ca.gov/business/bpd_processing_times.htm for current mail processing times.

Note: The regional offices are only able to process organizational documents delivered in person. Please refer to our Regional Offices web page at <http://www.sos.ca.gov/business/regional.htm> for detailed information regarding the submission of documents to the regional offices.

Fees

The fee for filing Articles of Incorporation for a nonprofit, nonstock corporation is \$30.00. There is an additional \$15.00 special handling fee for processing a document delivered in person to the Sacramento office or to any of the regional offices. The special handling fee must be remitted separately for each submittal and will be retained whether the document is filed or rejected. The preclearance and/or expedited filing of a document *within a guaranteed time frame* can be requested for an additional fee (in lieu of the special handling fee) for documents that are delivered in person to the Sacramento office. Please refer to the Secretary of State's website at <http://www.sos.ca.gov/business/precexp.htm> for detailed information regarding preclearance and expedited filing services. The special handling fee or preclearance and expedited filing services are not applicable to documents submitted by mail.

Payments for documents submitted:

- by mail to Sacramento can be made by check or money order.
- in person, over-the-counter in Sacramento can be made by check, money order, cash, or credit card (Visa or MasterCard).
- in person, over-the-counter in any of the three regional offices can be made by check, money order, or credit card (Visa or MasterCard). Regional offices are not able to accept cash.

Checks or money orders should be made payable to the Secretary of State.

Copies

The Secretary of State will certify up to two copies of the filed document without charge, **provided that the copies are submitted to the Secretary of State with the document to be filed.** Any additional copies submitted will be certified with payment of \$8.00 per copy. **Note:** If forming a nonprofit *public benefit* corporation, one additional copy must be provided for the Secretary of State to forward to the Office of the Attorney General as required by California Corporations Code section [5120\(d\)](#).

Franchise Tax Requirements

A nonprofit corporation is a taxable entity and subject each year to an **\$800** minimum California franchise tax **unless** the corporation has applied for tax-exempt status and the Franchise Tax Board determines the corporation qualifies for tax-exempt status. Therefore, until such a determination is made, the corporation must file a return and pay the associated tax every year until the corporation is formally dissolved.

After filing its Articles of Incorporation with the Secretary of State, the nonprofit corporation may apply for tax-exempt status in California by mailing an Exemption Application (FTB Form 3500), along with an endorsed copy of the Articles of Incorporation and all other required supporting documentation, to the Franchise Tax Board, P.O. Box 942857, Sacramento, California 94257-4041. Form 3500 can be accessed from the Franchise Tax Board's website at www.ftb.ca.gov or can be requested by calling the Franchise Tax Board at 1-800-338-0505. For further information regarding franchise tax exemption, refer to the Franchise Tax Board's website or call the Franchise Tax Board at (916) 845-4171. Questions regarding franchise tax requirements must be directed to the Franchise Tax Board.

Additional Resources

All corporations are subject to state and federal tax laws and may be subject to additional requirements depending on the type of corporation and/or the type of business conducted. Please refer to our Business Resources web page at http://www.sos.ca.gov/business/bpd_links.htm for a list of other agencies you may need to contact to ensure proper compliance. Note: The Secretary of State does not license corporations. 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 corporation.

Organization of California Nonprofit, Nonstock Corporations

INSTRUCTIONS:

Articles of Incorporation must be drafted to include all the provisions required by the California Corporations Code. Articles of Incorporation may include other provisions as permitted under California law (e.g., the name and address of each initial director). The attached sample meets the minimum statutory requirements and should only be used as a guide in preparing Articles of Incorporation. The document should be typed with letters in dark contrast to the paper. Documents not suitable for reproduction will be returned unfiled. Note: The file date of Articles of Incorporation is generally the date the document complying with applicable law is received in the Secretary of State's office.

Article I: The articles must include a statement of the name of the corporation.

Note: The name must be exactly as you want it to appear on the records of the California Secretary of State.

Article IIA: Mutual Benefit Corporation: This exact statement is required by the California Corporations Code and should not be altered.

Public Benefit Corporation: This exact statement is required by the California Corporations Code and should not be altered except to include the applicable purpose description.

Religious Corporation: This exact statement is required by the California Corporations Code and should not be altered.

Article IIB: A statement describing the specific purpose may 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 the name of the initial agent for service of process.¹

- If an individual is designated as agent, include the agent's business or residential **street** address in California (a P.O. Box address is not acceptable). Please do not use "in care of" (c/o) or abbreviate the name of the city.
- If another corporation is designated as agent, do not include the address of the designated corporation.

Note: Before another corporation may be designated as agent, that corporation must have previously filed with the Secretary of State a certificate pursuant to California Corporations Code section [1505](#). **A corporation cannot act as its own agent** and no domestic or foreign corporation may file pursuant to Section 1505 unless the corporation is currently authorized to engage in business in California and is in good standing on the records of the California Secretary of State.

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

Execution: The articles must be signed by each incorporator, or by each initial director named in the articles. If initial directors are named, each director must both sign and acknowledge the articles. Note: If initial directors are not named in the articles, the individual(s) executing the document is the incorporator(s) of the corporation. The name of each incorporator or initial director should be typed beneath their signatures.

¹ An "agent for service of process" is an individual (director, officer or any other person, whether or not affiliated with the corporation) who resides in California or another corporation designated to accept service of process if the corporation is sued. Note: The agent must agree to accept service of process on behalf of the corporation prior to designation.

MUTUAL BENEFIT SAMPLE

ARTICLES OF INCORPORATION

I

The name of the 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 Code _____

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

If an individual is designated as the initial agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). If another corporation is designated as the initial agent for service of process, do not include the address of the designated corporation.

This sample is provided to be used as a guideline ONLY in the preparation of the original document for filing with the Secretary of State.

PUBLIC BENEFIT SAMPLE

ARTICLES OF INCORPORATION

I

The name of the 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 Code _____

IV

A. This corporation is organized and operated exclusively for **charitable** purposes within the meaning of Internal Revenue Code section 501(c)(3).

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 Internal Revenue Code section 501(c)(3).

[Signature of Incorporator]

[Typed Name of Incorporator], Incorporator

If an individual is designated as the initial agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). If another corporation is designated as the initial agent for service of process, do not include the address of the designated corporation.

This sample is provided to be used as a guideline ONLY in the preparation of the original document for filing with the Secretary of State.

RELIGIOUS SAMPLE

ARTICLES OF INCORPORATION

I

The name of the 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 Code _____

IV

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

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 Internal Revenue Code section 501(c)(3).

[Signature of Incorporator]

[Typed Name of Incorporator], Incorporator

If an individual is designated as the initial agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). If another corporation is designated as the initial agent for service of process, do not include the address of the designated corporation.

This sample is provided to be used as a guideline ONLY in the preparation of the original document for filing with the Secretary of State.