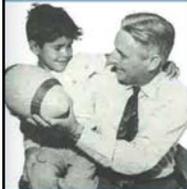




NEIGHBORHOOD HOUSE ASSOCIATION Celebrates 100 Years OF SERVICE



Coach Pinkerton



Marston Family, Circa 1920's



Helen Marston



Youth Program, Circa 1920's

BECOME PART OF THE LEGACY



INTRODUCTION

The Neighborhood House Association (NHA) is the largest multi-purpose human services organization in San Diego County, serving thousands of residents (children, families, seniors and youth) each year. The agency has 12 key program areas offered at 120 locations throughout San Diego County.

NHA Programs and Services include:

- Adult Day Health Care
- Child Development/State Preschool
- Geriatric Specialty Program
- Head Start/Early Head Start
- HIV/AIDS Case Management and Peer Support Services/Transportation Services
- Homework Center
- HUD Approved Housing Counseling
- InnoVisions
- Nutrition Services
- Project Enable/Friendship Clubhouse
- Project In-Reach
- Senior Service Center



MISSION

Developing children, families, and future leaders of our communities through empowerment, education, and wellness from our house to yours

VISION

Leading the way in developing confident, self-sufficient, healthy families and communities



BECOME PART OF THE LEGACY



NHA SERVICE RECORD

- Over **2,500,000** individuals served through San Diego Food Bank between 1977 and 2006
- Over **200,000** children served through Head Start since 1964
- Over **262,000** served through Community Services since 1978 (HUD, Youth Outreach, Hire-A-Youth, Emergency Services)
- Over **21,000** through Mental Health Services since 1988
- Over **19,000** through Senior Services since 1978



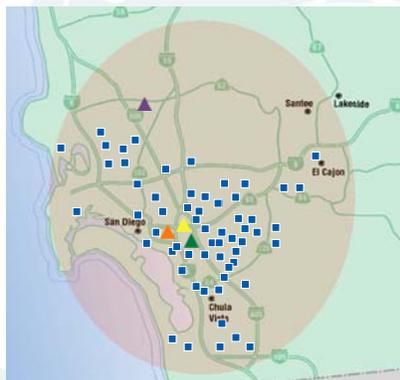
BECOME PART OF THE LEGACY





NHA TODAY

- Serving Over 24,000 San Diego Individuals and Families Annually
- 12 Programs
- 120 Sites
- 700 Employees

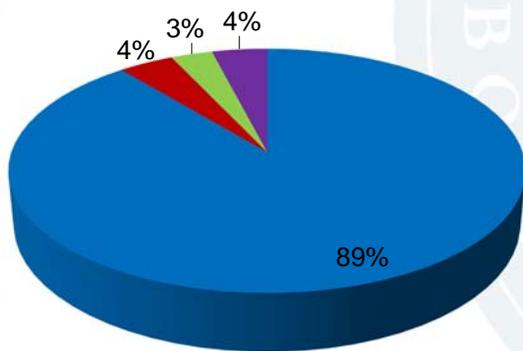


Map Key
▲ = NHA ADHC Center
▲ = NHA Copley Headquarters
▲ = NHA 41st Street Campus
▲ = NHA Euclid Health Center
■ = Head Start Service Center Clusters
Map Not to Scale

BECOME PART OF THE LEGACY



FUNDING SOURCES



■ Federal \$73 M
■ State \$3 M
■ County \$2 M
■ Other \$5.5 M

Total: \$83.5M

** As of June 30, 2013*

BECOME PART OF THE LEGACY





INSIDE THE MINDS

Developing A Business Mentality While Maintaining A Social Service Heart

- Role of the CEO
- Best Practices
- Generating Revenue
- Challenges
- Priorities
- Communication Strategies
- Employee Development and Training
- Role of C-Level Team
- Staying Abreast of Developments



BECOME PART OF THE LEGACY



ROLE OF THE CEO

The CEO

“CEO is a Head Football Coach”

- **CEO As A Coach**
 - Building a winning team
- **Retain good talent**
 - Asses existing workforce
- **Bring in talent to support CEO goals**
 - “Cherry picking” talent
 - Building bench strength
- **Board of Directors**
 - Building a culturally and professionally diverse BOD
- **Establish a Productive Policy Body**
 - Policy Body in sync with CEO
- **Generate Revenue**
 - Fee for Service Initiatives
 - Asset Management
 - Governmental Affairs/ Manage political operating environment
 - Fundraising



BECOME PART OF THE LEGACY





CREATING BEST PRACTICES

“Carry a for-profit mindset”

- **Build Strong Infrastructure (Creating Efficiency)**
 - Automated time, attendance and payroll system
 - Automated contracting system
 - Automated procurement system
 - Contracting management system integration
 - Create “organic” and efficient policies
- **Information Technology**
 - Enlarge infrastructure
 - Redundant systems



BECOME PART OF THE LEGACY



PRIORITIES

“Handle politics, raise money and be the talent scout”

- **Manage Shifting Priorities**
 - Multi-task management
- **Manage Compliance Requirements**
 - Be review ready
- **Generating Revenue**
- **Solidify Key Partnerships**
 - Manage relationship at local, state and federal level
 - Manage in multi-cultural environment
 - Interface with other local nonprofits
 - Sit on local boards and commissions
- **Manage Quality of Service**
 - Brand value
- **Manage Organizational Structure**



BECOME PART OF THE LEGACY





CONTINUE THE LEGACY

- Sponsorship Opportunities
 - www.neighborhoodhouse.org
- Spread the Word
- Share Your Story/Tell Others
- Volunteer



BECOME PART OF THE LEGACY



Howard H. Carey Administrative Center

5660 Copley Drive
San Diego, CA 92111
858-715-2642

NHA 41st Street Campus

841 South 41st Street
San Diego, CA 92113
619-263-7761

“A Neighbor You Can Count On...Since 1914”

www.neighborhoodhouse.org



The Honorable Vice Chair Michelle Steel
California State Board of Equalization
Welcomes you to the
Sales and Use Taxes presentation for
Nonprofit and Exempt Organizations

13

Written Responses

For Specific Sales and Use Tax Questions

Write to:

Board of Equalization
Audit and Information Section
450 N Street, MIC:44
Sacramento, CA 95814

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Course Objectives

- How Sales & Use Tax Law impacts nonprofit and faith-based organizations.
- How and where to get help.



15

Board of Equalization Functions

- Administers more than 25 different tax and fee programs for the State.
- Funding supports education, health care, public safety, transportation, social services, etc.

16

No Blanket Exemption

- In general, no blanket exemption from sales or use tax exists for nonprofit or charitable organizations.
- The organization's sales of tangible personal property are subject to tax.
- The organization's purchases of tangible personal property, including supplies are subject to tax.

17

What Is A Person?

Any individual, firm, partnership, joint venture, limited liability company, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, assignee for the benefit of creditors, trustee, trustee in bankruptcy, syndicate, the United States, this state, any county, city and county, municipality, district, or other political subdivision of the state, or any other group or combination acting as a unit.

18

What Is Tangible Personal Property?

Personal property, which may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses.



19

What Is A Sale?

Any transfer of title or possession, of tangible personal property for a consideration, regardless of when payment is received.



20

Who Is A Retailer?

Every seller who makes any retail sale or sales of tangible personal property, and every person engaged in the business of making retail sales at auction of tangible personal property owned by the person or others.



21

Who Is A Consumer?

One that acquires goods or services for direct use or ownership rather than for resale.



22

Sales Tax vs. Use Tax

The tax rate is the same for sales tax and use tax

Sales Tax

- Tax imposed on retailer.
- Seller reports and pays the sales tax due on items sold at retail in California.
- Tax measured by the gross receipts from the sale.

Original Price \$10.00

Special Price for Fair \$ 5.00

Tax Applies Only to: \$ 5.00

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Sales Tax vs. Use Tax

The tax rate is the same for sales tax and use tax

Use Tax

- Tax imposed on consumer.
- Consumer owes and pays the use tax due on items purchased without payment of sales tax.
- Tax measured by purchase price.
- Out-of-state retailers engaged in business in California must collect and pay use tax on items sold to Californians.



24

Sales by Nonprofit Organizations

- **General Rule = Sales are Taxable**
- **Statutory Consumer**
- **Specific Exemption**

25

General Rule:

Sales are Taxable Even if...

- The Item is Donated or Homemade.
- The Item is Bartered or Traded.
- The Proceeds Benefit the Organization.
- The Money Received is Designated as a Donation or Gift.

26

Exemptions for Certain Consumers

- Nonprofit parent-teacher associations.
- Qualified nonprofit youth organizations.
- Parent cooperative nursery schools.
- Nonprofit veterans' organizations.
- Friends of the library.



27

Taxable Activities

- Raffles.
- Food sales.
- Auctions (and silent auctions).
- Rummage sales.
- Bazaars.
- Carnival booths.
- Vending machine sales.
- Internet sales.



28

Sales of Food "To Go" at Fundraising Events

Type of food: Cold Beverages.

Is sale usually taxable? No.

Exceptions:

- Tax applies to the sale of alcoholic and carbonated beverages.
- May be taxable when sold in a combination package.

Taxable →



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Sales of Food "To Go" at Fundraising Events

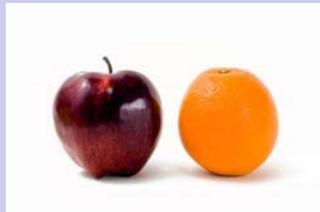
Type of food: Cold food

(candy, snack food, produce, etc.)

Is sale usually taxable? No.

Exception:

- May be taxable when sold in a combination package.



30

Sales of Food "To Go" at Fundraising Events

Type of food: Hot Prepared Food.

Is sale usually taxable? Yes.

Exception:

- Tax does not apply to sales of individual hot drinks and bakery goods.

Not Taxable



31

Sales of Food "To Go" at Fundraising Events

Type of food: Combination packages.

Is sale usually taxable? Yes.

- Application of tax depends on contents of package.



32

Sales of Combination Food Packages "To Go" at Fundraising Events

When a combination food package includes:

- A hot, prepared food product or hot beverage and any other food item.
 - Examples: Hot coffee and a sandwich; hot soup and a cold sandwich.

Tax applies to full selling price.



33

Sales of Combination Food Packages "To Go" at Fundraising Events

When a combination food package includes:

- Cold food products only.
 - Example: Cold sandwich, chips, and an apple.

Tax does not apply.



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Sales of Combination Food Packages "To Go" at Fundraising Events

When a combination food package includes:

- A carbonated beverage and one or more cold food items.
 - Example: Cold sandwich , chips, candy, and a soft drink.

Tax applies only to the portion of the selling price that represents the charge for the carbonated beverage.



35

Sales of Food for Consumption On-site at Fundraising Events

Type of sale, location

- Meals served at fundraising events

Is sale usually taxable?

- Yes.



36

Sales of Food for Consumption On-site at Fundraising Events

Type of sale, location:

- Food sold where admission is charged.

Is sale usually taxable?

- Yes.

Exception:

- Cold food sold in a form or quantity that buyers would normally take home.



37

Sales of Food for Consumption On-site at Fundraising Events

Type of sale, location

- Food sold where dining facilities are provided.

Is sale usually taxable?

- Yes.

Exception:

- Cold food sold in a form or quantity that buyers would normally take home.



38

Sales of Food for Fundraising

Fund Raising Dinners.

- Taxable.
- Generally, the person serving the meal is responsible for the tax.

If a caterer serves the meal, the caterer is the retailer and is responsible for the tax.



39

Certain Nonprofit Activities are Nontaxable

- Advertising for inclusion in a newsletter or publication etc.,
- Gift Cards/Certificates
- Show Tickets
- Movie Tickets
- Coupon Books

40

Items Donated by Business from Resale Inventory

Items withdrawn from resale inventory and donated to certain nonprofit, government, or qualified religious organizations without prior use are not subject to use tax by the business making the donation.

41

501(c)3 Publications

Tax Does Not Apply if the publication is Regularly Issued (averaging at least 4 issues a year)

- Distributed to Members Without Additional Charge

OR

- No Revenue is Accepted from Commercial Advertising

42

Non 501(c)3 Nonprofit Organization Periodicals

Sale is Exempt if Both Apply

- Distributed to Members Without Additional Charge
AND
- Cost of Printing is less than 10% of the Annual Membership Fee

43

Do I Need a Seller's Permit?

- ❖ Every person, (i.e. individual, firm, partnership, corporation, etc.) engaged in the business of selling or leasing tangible personal property
- ❖ Wholesalers, as well as retailers, must secure such permit.
- ❖ No fee is required to obtain a permit



44

Online Registration - eReg

- ❖ Taxpayers must register online for most tax and fee programs administered by the BOE.
- ❖ The eReg system will identify the permits, licenses, and accounts a taxpayer is required to hold and will allow them to register for all of them by submitting one application

45

Publication 214 – *Doing Business Just Got Easier with eReg*

How Do I Apply For a Seller's Permit?

The screenshot displays the California State Board of Equalization website. At the top, the logo 'CA.GOV California State Board of Equalization' is visible, along with a search bar and navigation links for 'Log in', 'About BOE', 'Languages', and 'Contact Us'. A main navigation menu includes 'Home', 'File a Return', 'Make a Payment', 'Taxes & Fees', 'Forms & Pubs', 'Permits & Licenses', 'eServices', and 'News & Events'. A prominent 'Log in' button is highlighted with a yellow arrow, and a 'New Registration' link is also visible. Below the navigation, there is a 'Connect With Us' section with social media icons for Facebook, Twitter, YouTube, LinkedIn, and RSS. A large banner titled 'Know Your Tax Rate' with a 'LOOK IT UP HERE' button is also present. The main content area is divided into three sections: 'Popular Topics', 'How Do I...', and 'Business Center'. In the 'How Do I...' section, the 'eReg' link is highlighted with a blue arrow, and the first item, 'Register for Permit, License, or Account', is also highlighted with a blue arrow. The 'Business Center' section includes links for 'Starting or Closing Your Business?', 'Small Business Tax Guide', 'What is a Seller's Permit?', 'Industry Guides', 'Resale Certificate Tips', 'Internet Sales Information', 'Registration for Out-of-State Sellers', 'California Tax Service Center', 'Useful Forms & Publications', and 'Helpful Tax Seminars'.

46

Filing Requirements

When you are issued a seller's permit, the Board will assign you a reporting basis, based on the information you furnished.

- A tax return (with payment) is due each period
- *Even if no sales are made, you must file a "0" return*
- E-filing is the BOE method for filing tax returns

Yearly
(Calendar Year)

Fiscal Yearly
(July 1 - June 30)

Quarterly
(Calendar
Quarters)

Quarterly
Prepayment

Quarterly
Prepayment with
EFT (Electronic
Funds Transfer)

47 Publication 159 – eFiling

Books and Records

- Records of all sales, including sales you believe are nontaxable
- Records of purchases
- Documentation to support claimed deductions
- Records must be maintained for at least four (4) years



48

Resale Certificates

Resale Certificates are issued for purchases of items that will be resold or incorporated into products that will be resold.



49

Resale Certificates

- When making sales for resale, you should obtain supporting documentation from the purchaser that your sale is not subject to sales tax.
- This typically consists of obtaining a resale certificate from the purchaser.

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Available in Regulation 1668, Publication 73, and the BOE website, Form BOE-230.

Must be filled out completely

Must be taken timely and in good faith.

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BOE 0307-03
GENERAL RESALE CERTIFICATE

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

California Resale Certificate

I HEREBY CERTIFY:

1. I hold valid seller's permit number: _____
2. I am engaged in the business of selling the following type of tangible personal property: _____
3. This certificate is for the purchase from _____ of the item(s) I have listed in paragraph 5 below. (seller's name)
4. I will resell the item(s) listed in paragraph 5, which I am purchasing under this resale certificate in the form of tangible personal property in the regular course of my business operations, and I will do so prior to making any use of the item(s) other than demonstration and display while holding the item(s) for sale in the regular course of my business. I understand that if I use the item(s) purchased under this certificate in any manner other than as just described, I will owe use tax based on each item's purchase price or as otherwise provided by law.
5. Description of property to be purchased for resale:

6. I have read and understand the following:
For Your Information: A person may be guilty of a misdemeanor under Revenue and Taxation Code section 6004.5 if the purchaser knows at the time of purchase that he or she will not resell the purchased item prior to any use (other than retention, demonstration, or display while holding it for resale) and he or she furnishes a resale certificate to avoid payment to the seller of an amount as tax. Additionally, a person misusing a resale certificate for personal gain or to evade the payment of tax is liable, for each purchase, for the tax that would have been due, plus a penalty of 10 percent of the tax or \$500, whichever is more.

NAME OF PURCHASER _____
ADDRESS OF PURCHASER (PURCHASER'S OFFICE OR AUTHORIZED REPRESENTATIVE) _____
CITY _____ STATE _____ ZIP _____
ADDRESS OF PURCHASER _____
TELEPHONE NUMBER (_____) _____
DATE _____

Copies of BOE-230, California Resale Certificate are available on our website and from our Information Section faxback service.

SEPTEMBER 2012 YOUR CALIFORNIA SELLER'S PERMIT 20

Online Services Available

BOE Website (www.boe.ca.gov)

❖ http://www.boe.ca.gov/industry/nonprofit_organizations.html



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Other Online Services Available

BOE Website (www.boe.ca.gov)

- ❖ Online Verification of Seller's Permit Numbers
- ❖ Enhanced Tutorials
- ❖ Email Notification Lists
- ❖ Class & Seminar Schedules
- ❖ Publications Specific to Your Type of Business
- ❖ Frequently Asked Questions (FAQ's)
- ❖ Directory of BOE Offices
- ❖ Tax News, Special Notices
- ❖ Credit Card Payments
- ❖ Documents in Other Languages
- ❖ Useful Links to Other Websites

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BOE Social Media Services

Connect with the BOE on the following social media outlets



54

Taxpayer Information Section



Taxpayer Information Section
(general tax questions answered)
1-800-400-7115
Mon – Fri, 8:00 a.m. to 5:00 p.m.



24 hr. fax-back service for
commonly requested forms and
publications to choose from
automatically faxed back to you.



24 hr voice recordings on
specific topics
1-800-400-7115

55



Get It in Writing

Revenue and Taxation Code section 6596 -
Excusable Delay-Reliance on Advice, states:



“If the Board finds that a person’s failure to make a timely return or payment is due to the person’s reasonable reliance on written advice from the Board, the person may be relieved of taxes imposed by §6051 and §6201 and any penalty or interest added thereto...”.

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§6596

Taxpayers' Rights Advocate

888-324-2798

If you have been unable to resolve a disagreement with the BOE and you would like to know more about your rights under the law.



www.boe.ca.gov/tra/tra.htm

57

Publication 70 - *Understanding Your Rights as a California Taxpayer*

Thank You

Thank you for all the important work you do for the State of California.



58

State Payroll Taxes and the Nonprofit Organization

MM 2-24-14



Introductions

Julie Pemberton
Taxpayer Education and
Assistance Program

www.edd.ca.gov
Taxpayer Assistance Center:
1-888-745-3886

Objectives

- Discuss taxability of wages.
- Review exclusions from Unemployment Insurance and State Disability Insurance coverage and discuss elective coverage.
- Explain the methods of financing Unemployment Insurance.
- Review reporting and depositing requirements.
- Define employee.
- Review common misconceptions.
- Provide resources.

Examples of Nonprofit Organizations

Nonprofit, or Internal Revenue Code (IRC), Section 501(c) organizations, include:

- Religious and charitable organizations.
- Social welfare organizations.
- Federal credit unions.
- Social and recreational clubs.
- Chambers of commerce.
- Labor unions.

Taxability of Wages for Nonprofit Organizations

Except for special exclusions for some IRC 501(c)(3) organizations, all nonprofit organizations are subject to:

- Unemployment Insurance (UI)
- Employment Training Tax (ETT)
- State Disability Insurance (SDI)
- Personal Income Tax (PIT)

Taxability of Special Exclusions for IRC Section 501(c)(3) Organizations

- Excluded from UI and SDI coverage and their wages are not subject to UI, ETT, and SDI taxes.
- Subject to PIT withholding (some exceptions).
- May elect UI and SDI coverage either for all employees or each specific type of employee.

Examples of Special Exclusions

- Persons in the employ of a church or convention or association of churches.
- Persons receiving rehabilitative or compensative work in a program conducted for persons with an impairment and who cannot be absorbed in the competitive labor market.
- Persons receiving work relief or work training in a program financed by any federal or state agency or political subdivision.
- Casual labor.

Elective UI and/or SDI Coverage for Excluded Employees

Employers may elect UI and/or SDI (Specialized Coverage) for their excluded employees using the *Application for Unemployment and Disability Insurance Elective Coverage For Employees Exempted Under the California Unemployment Insurance Code (DE 1378)*.

Specialized Coverage Requirements

- Election requires a written petition signed by a majority of the excluded employees.
- Requests must be in writing, filed with and approved by the EDD.
- Election must remain in effect for at least two complete calendar years.
- Termination request must be in writing, filed with EDD during January, and will be effective January 1 of the year filed.

Methods of Financing UI

An IRC Section 501(c)(3) nonprofit entity may elect to:

- Pay the same UI taxes as those paid by commercial employers (tax rated method),
or
- Reimburse the State for the full cost of all UI benefits paid to their former employees (reimbursable method).

Electing the Reimbursable Method for UI

- File a *Selection of Financing Method by a Nonprofit Organization* (DE 1SNP) with the *Registration Form for Nonprofit Employers* (DE 1NP) when registering.
- If the DE 1SNP is filed at a later date, it will be effective the first day of the quarter in which it is filed.
- Must remain in effect for not less than 5 complete calendar years.

Reporting and Depositing Requirements

- *Report of New Employee(s)* (DE 34)
- *Report of Independent Contractor(s)* (DE 542)
- *Payroll Tax Deposit* (DE 88)
- *Quarterly Contribution Return and Report of Wages* (DE 9)
- *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C)

Report of New Employee(s) (DE 34)/ Independent Contractor(s) (DE 542)

- Assists in locating parents who are delinquent in their child support obligations.
- Report newly hired or rehired employees within 20 days of start-of-work date.
- Report independent contractors within 20 days if you are making payments totaling more than \$600 or entering into a contract of \$600 or more, whichever occurs earlier.
- File timely to avoid penalty and interest.

Depositing State Payroll Taxes

- The UI/ETT are due by end of month following each quarter end, but may be paid more frequently, along with SDI/PIT deposits.
- The SDI/PIT due dates vary, depending on federal deposit schedule and accumulated PIT withholding during each quarter.

Payroll Tax Deposit (DE 88)

- Online payment via *e-Services for Business* or paper remittance via coupon.
- Electronic Funds Transfer
 - ACH Credit
 - ACH Debit
- Credit card (telephone or internet)

Quarterly Contribution Return and Report of Wages (DE 9)

- Reconcile payroll tax payments remitted for the quarter.
- Reconcile total Subject Wages reported for the quarter.
- Due no later than last day of month following end of quarter.
- Wages are reported in quarter paid, not earned.
- Must file even if no wages paid in quarter.

Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C)

- Report employee Subject Wages for UI and SDI benefit purposes.
- Report PIT Wages and PIT withheld for Franchise Tax Board reconciliation purposes.
- Due no later than last day of month following end of quarter.
- Wages are reported in quarter paid, not earned.
- Must file even if no wages paid in quarter.

Who is an Employee

An “employee” includes all of the following:

- Any officer of a corporation.
- Any worker who is an employee under the usual common law rules (common law employee).
- Any worker whose services are specifically covered by law (statutory employee).

Primary Factor for Common Law Employee

The right of the principal, whether or not exercised, to control the manner and means of the worker accomplishing a desired result.

Secondary Factors for Common Law Employee

- Supervision
- Extent of actual control
- Skill level
- Distinct trade or occupation
- Method of payment
- Tools and place of work
- Profit and loss
- Length of time
- Services benefit the principal
- Regular part of the business
- Belief of the parties

Statutory Employee

A worker who is not considered to be a common law employee but is an employee by law for purposes of UI, ETT, and SDI. May not be subject to PIT withholding.

Most common:

- Officer of a corporation.
- Any unlicensed individual in the construction industry.
- Any member of a Limited Liability Company treated as a corporation for Federal Income Tax purposes.

Misconceptions Addressed

- If minister is determined to be employee, wages must be included on the DE 9C.
- Part-time workers are typically common law employees.
- An organization's exempt status under IRC Section 501(c) does not include an exemption from payroll taxes.
- An exemption from payroll taxes does not include an exemption from PIT (except ministers/members of religious orders).

Resources

- *Fact Sheet: Payroll Taxes* (DE 8714E)
- *Information Sheet: Employment* (DE 231)
- *Information Sheet: Casual Labor* (DE 231K)
- *Information Sheet: Nonprofit and/or Public Entities* (DE 231NP)
- *Information Sheet: Specialized Coverage (Elective Coverage for Exempt Workers)* (DE 231SC)

Resources (continued)

- *Information Sheet: California System of Experience Rating* (DE 231Z)
- *Potential Liability for Unemployment Insurance Benefits When Electing the Reimbursable Method of Financing Under the California Unemployment Insurance Code (CUIC)* (DE 1378F)
- *Online Employment Status Course seminar*

Resources (continued)

- *Information Sheet: Employment Work Status Determination (DE 231ES)*
- *Employment Determination Guide (DE 38)*
- *Determination of Employment Work Status (DE 1870)*
- *California Employer's Guide (DE 44)*

Thank you for attending!

REGULATION OF CHARITIES BY THE CALIFORNIA ATTORNEY GENERAL



Outline of Presentation

- Overview of AG's Oversight Responsibilities
 - AG's Registry of Charitable Trusts
 - Enforcement Program
- Duties of Charities and their Directors, Officers, and Trustees
- Charity Fundraising
- Donor Tips
- Raffles

Overview

- ☀ AG has primary responsibility for overseeing charities and charitable solicitations
 - Includes charitable corporations, unincorporated associations and charitable trusts; also fundraising professionals
 - AG responsible for protecting charitable assets because they benefit all Californians

Overview

- ☀ Charitable Trusts Section carries out the AG's responsibilities
- ☀ Composed of
 - Registry of Charitable Trusts
 - Legal and Audits Unit

The Registry's Role

- Manages registration and annual reporting requirements
 - Initial registration within 30 days of receiving assets (money, real property, or other assets)
 - Initial registration requires a copy of governing instrument, IRS Form 1023, and bylaws (see Registration Checklist at www.oag.ca.gov/charities)
 - Annual reporting (IRS Form 990 and RRF-1)
 - Exempt from registration and reporting, but not oversight: religious corporations, educational institutions, hospitals, health care service plans

The Registry's Role

Receives and reviews notices of specific transactions required to be submitted to AG:

- Sale/disposition of substantially all assets
- Voluntary dissolution
- Merger
- Conversion (to mutual benefit or for-profit)
- Self-dealing transactions
- Loans to directors/officers
- Sale/transfer of nonprofit hospital facilities
(Corp. Code, § 5000 *et seq.*)

Transactions Requiring AG Notice or Consent*

- ☀ Consent:
 - ☀ Voluntary dissolution – requires AG waiver of notice
 - ☀ Conversion to mutual benefit or for-profit corporation
 - ☀ Loans to directors and officers (with exceptions)
 - ☀ Sale or transfer of nonprofit health facility
- ☀ 20-Day Notice Only:
 - ☀ Sale or disposition of substantially all assets
 - ☀ Merger

*See Nonprofit Transactions Guide at www.oag.ca.gov/charities

Enforcement Program

- ☀ AG safeguards, preserves, and recovers charitable assets through investigations, audits and legal actions
- ☀ Focus: mismanagement and diversion of charitable assets from intended use
- ☀ Cases developed from complaints received and review of annual filings

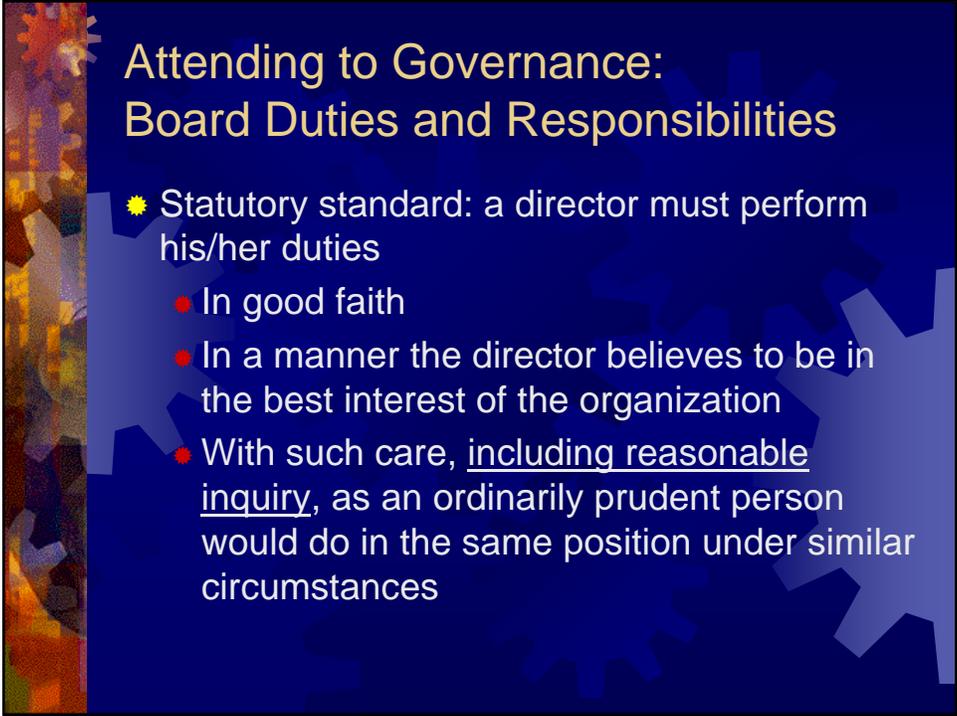
Types of Enforcement

- Informal contact; audit letter
- Subpoena
- Corrective action letter
- Assurance of voluntary compliance
- Administrative action
- Civil litigation
- Criminal charges

Attending to Governance

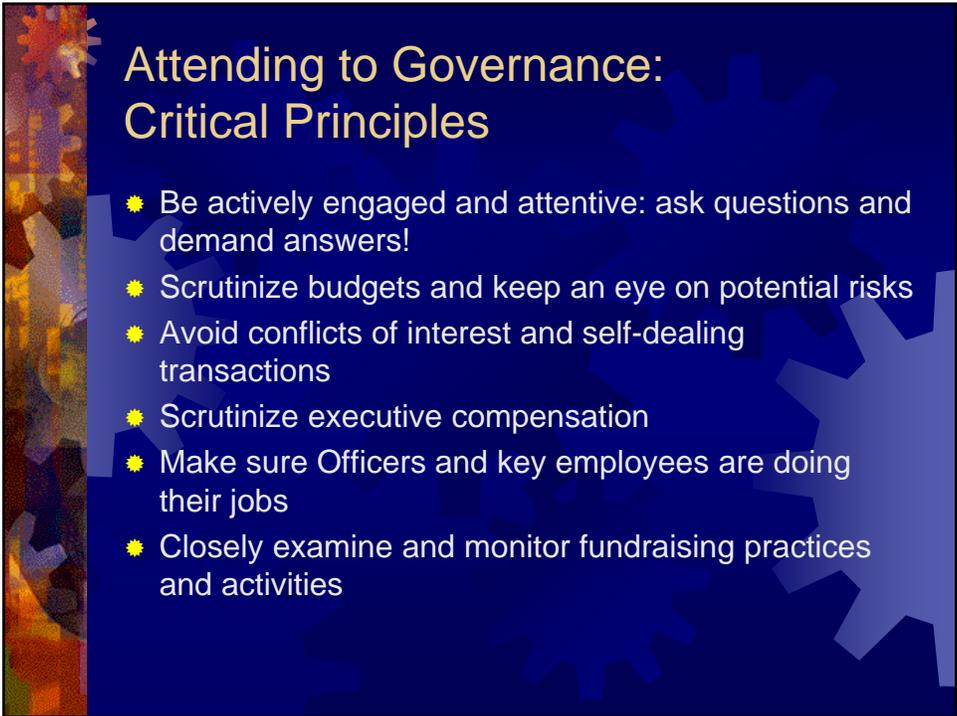
- Directors and Officers are responsible for managing and preserving charitable assets
- CA Nonprofit Public Benefit Corporation Law governs Board duties and responsibilities
- Activities and affairs of a corporation must be conducted, and all corporate powers exercised, by or under the direction of the Board
- This ultimate decision-making role cannot be delegated to anyone else

*See parts VI and VII of Form 990, and Guide to Form 990 at www.oag.ca.gov/charities



Attending to Governance: Board Duties and Responsibilities

- Statutory standard: a director must perform his/her duties
 - In good faith
 - In a manner the director believes to be in the best interest of the organization
 - With such care, including reasonable inquiry, as an ordinarily prudent person would do in the same position under similar circumstances



Attending to Governance: Critical Principles

- Be actively engaged and attentive: ask questions and demand answers!
- Scrutinize budgets and keep an eye on potential risks
- Avoid conflicts of interest and self-dealing transactions
- Scrutinize executive compensation
- Make sure Officers and key employees are doing their jobs
- Closely examine and monitor fundraising practices and activities

Governance: Critical Principles (con't.)

- ☀ Charity Officers and Directors are accountable for charitable assets
- ☀ Officers/Directors may be personally financially liable for harm their actions/inaction caused the charity

Caution: Use of Restricted Assets

- ☀ Assets are restricted by charity's governing documents, donor designation, or content of solicitation
- ☀ Duty to use in accordance with restriction
- ☀ Must be able to account for use in accordance with restriction
- ☀ Avoiding problems:
 - Segregate
 - Scrutinize charity's solicitation language

Complying with Requirements of Other Government Agencies

- SOS
- FTB
- IRS
- Local jurisdictions may regulate solicitation [see list on AG website Resources page]
- Multi-state solicitation campaigns [information available at www.multistatefiling.org]

The Independent Audit Requirement

- Applies to the following entities with \$2 million or more in gross revenue*
 - Nonprofit Corporations
 - Unincorporated Associations
 - Trusts[Unless exempt from registration and reporting]

* Audit FAQ's are available on AG's website

Independent Audit Requirement: Definition of “Gross Revenue”

- Follow instructions for Line 12 of IRS Form 990 and Line 12, column (a) of IRS Form 990PF.
- Non-cash and one-time contributions, and income from special events are included in the definition.
- Revenue from government grants and contracts for services for which an accounting is required are excluded from the definition.

Independent Audit Requirement (con't.)

- Independent audited financial statements must be made available to the Attorney General and the public
- Includes all statements and notes but NOT the management letter
- Complete no later than 9 months after close of fiscal year

Audit Committee Requirement

- ☀ If required to conduct independent audit, must have an audit committee
 - Appointed by governing Board
 - May be only one person
 - Can be non-governing Board members
 - Cannot include 50% or more of members of Finance Committee
 - Cannot include President/CEO, Treasurer/CFO, staff members, or employees

Duties and Responsibilities of the Audit Committee

- ☀ Recommend hiring and firing of auditor to the Governing Board
- ☀ Confirm that financial affairs are in order
- ☀ Review and accept/reject audit
- ☀ Approve non-audit services by auditor

Executive Compensation Review

- ☀ Review and approval of executive compensation is a critical responsibility
- ☀ “Compensation” includes salary, bonuses, and retirement and all other benefits
- ☀ Compensation review requirement applies to all
 - Nonprofit corporations
 - Unincorporated associations
 - Charitable Trusts

Gov. Code, § 12586, subd. (g)

Executive Compensation Review (con't)

- ☀ Must be reviewed and approved by Board or authorized committee of Board for the following positions:
 - President or CEO
 - Treasurer or CFO
 - Or others with comparable powers and duties

Executive Compensation Review (con't.)

- ☀ Review and approval required at 3 points:
 - Initial hiring of the Officer
 - Upon renewal or extension of the Officer's employment term
 - Modifying the Officer's compensation
 - Compensation must be "just and reasonable" (consider comparables, officer's qualifications, & other factors)

Executive Compensation Review (con't.)

- ☀ Review is ALSO required for at-will Officers on initial hiring and whenever compensation modified
- ☀ No review required for staff or Officers paid more than President or CEO, and Treasurer or CFO, but the charity must ALWAYS exercise due care to ensure that the compensation is just and reasonable
- ☀ Excessive executive compensation is considered a waste of charitable assets and can result in liability for Board members and Officers; it can also jeopardize tax-exempt status

Top 9 Ways to Get Investigated

- Failing to ensure all regulatory filings are current
- Allowing CEO/Executive Director sole control
- Failing to hold regular Board meetings
- Failing to regularly evaluate performance of CEO/Executive Director
- Failing to properly record Board actions in meeting minutes [and poor record-keeping in general]*
- Failing to implement adequate internal controls
- Allowing self-dealing transactions without the analysis required by law
- Failing to aggressively monitor the organization's fundraisers
- Failing to ensure restricted gifts are used only per restriction

* Note: the AG has a 10-year statute of limitations

Top Excuses That Will Only Make it Worse

- We've always done it that way.
- I didn't know I had to register/No one told me.
- "So and So" was supposed to do that.
- We're a volunteer Board and don't have time to...
- I completely trusted ...
- Only our Treasurer gets to see the financial records.
- We threw those records away. No one told us we had to keep them.

Charity Fundraising: Commercial Fundraisers

- ☀ Definition:

- Any individual/entity who does any of the following for compensation:
 - Solicits assets for charitable purposes
 - Receives or controls such assets
 - Employs any compensated person to do either

- ☀ All CFRs must be registered with the AG's Registry

Gov. Code, § 12599

Charity Fundraising: CFR's Notice of Intent to Solicit

- ☀ All CFRs must file Notice of Intent to Solicit

- Filed with Attorney General's Registry
- 10 working days before the start of a solicitation campaign or event
- *Exception* for disaster solicitations – provide notice concurrent with commencement of campaign

Charity Fundraising: Written Contract Requirement

- ☀ Charity and CFR must enter into written contract for every solicitation campaign or event
- ☀ Contract is voidable unless the commercial fundraiser is registered with the Attorney General
- ☀ Must be signed by an official authorized by the charity's governing Board
- ☀ See model contract on AG's website

Terms Required in Fundraising Contracts with CFRs

- ☀ The written contract must state:
 - Charitable Purpose
 - Obligations of both parties
 - Fee arrangement
 - Effective, start, and termination dates
 - 5-day limit to transfer contributions from CFR to charity
 - Charity control of content and frequency
 - Maximum amount to secure attendance at, or sponsorship of, an event
 - Cancellation rights

Gov. Code, § 12599, subd. (i)

Charity Fundraising: Fundraising Counsel

☀ Definition:

- A Fundraising Counsel is any individual or entity who for compensation
 - Plans, manages, consults or prepares material for solicitation of assets for charitable purposes
 - Does *not* solicit assets for charitable purposes
 - Does *not* receive/control such assets
 - Does *not* employ persons who solicit assets or receive/control such assets

Gov. Code, § 12599.1

Requirements for Charity Fundraising using FRCs

- ☀ Fundraising counsel must be registered with the AG's Registry
- ☀ Notice of Intent to Solicit required of FRCs is the same as with CFRs
- ☀ Written fundraising contract required
 - Required terms are the same as for CFR's with one addition: must state that FRC will not solicit, receive, or control donated funds, assets, or property or employ another to do so

Charity Fundraising: Contract Cancellation Rights

- ☀ Applies to all fundraising professionals
- ☀ Contract voidable if CFR or FRC not registered with Attorney General
- ☀ Right to cancel for any reason w/in 10 days of execution

Gov. Code, § 12599.3

Charity Fundraising Remember:

- ☀ Charities are required by law to exercise control over fundraising activities
 - Approve written contracts
 - Approve content of solicitation
 - Assure no coercion
 - Honor "Do Not Call" requests
- ☀ Charities and their fundraisers must all be registered with the Attorney General
- ☀ CFRs must transfer donated funds to charity or to account controlled solely by charity within 5 days of receipt

Gov. Code, § 12599.6

Charity Fundraising: Prohibited Acts

- Violations of the registration and reporting requirements (for charities & fundraisers)
- Unfair or deceptive acts or fraudulent conduct
- Using any name or symbol that suggests a contribution is for a particular charitable organization when that is not true
- Representing that a contribution will be used for a charitable purpose when that is not true

Charity Fundraising Prohibited Acts (con't.)

- Representing that a person endorses a charitable solicitation unless that person has agreed to do so in writing
- Representing that contributions solicited will be given to another charity unless that charity has given prior written consent
- Misrepresenting the net proceeds to be received by the charity
- Other prohibited acts (Gov. Code, § 12599.6)

CONTRACTING WITH FUNDRAISING PROFESSIONALS

☀ DO's:

- Check charity and CFR/FRC registration status with the Registry
- Review annual CFR report on AG's website for CFR's previous NET proceeds to charity
- Ask for and check CFR's/FRC's references
- Review model fundraising contract on AG's website before signing any contract

CONTRACTING WITH FUNDRAISING PROFESSIONALS

☀ DO's (con't.):

- Review the script/pitch and fundraising materials carefully before approving
- Before campaign starts, contact local government agencies to determine whether additional permits/licenses are required
- Before signing any contract get an unambiguous and clear written estimate for all costs involved in the campaign and make sure that these estimates match those quoted in the contract
- Keep copies of relevant documents (contract, invoices, bank records, etc.)

CONTRACTING WITH FUNDRAISING PROFESSIONALS

☀ DON'T

- Be misled by “get-rich-quick” promises
- Forget that donors care about the cost of fundraising - donors want a high percentage of their contribution to be used for program services, not for fundraising
- Sign contracts for fundraising services without researching the company for complaints, etc.

Record-keeping Requirements for CFRs

- ☀ Keep records for 10 years
- ☀ Document all revenue and expenses
 - Cash: date and amount
 - Non-cash: date, amount, name and address of donor
 - Name and address of each employee or agent involved
 - Bank account numbers, names, locations

Gov. Code, § 12599.7

DONOR TIPS

☀ DO's before donating:

- Learn about the charity & review its financial disclosure reports (ask for written information or research on the internet)
- Ask if the solicitor is being paid to solicit
- Ask what percentage of the donations raised is paying for fundraising expenses
- Make sure donation is tax deductible

DONOR TIPS (con't.)

☀ DO's (con't.):

- Watch out for “copy-cat” names
- Confirm law enforcement agency appeal
- Consider cost of “freebies”

☀ DON'Ts:

- Make cash donations, or give SSN or credit card number to anyone
- Give a donation when you feel pressured or uncomfortable

Raffle Regulation Overview

- ☀ A raffle is a type of lottery
- ☀ Lotteries are illegal unless statutory exception
- ☀ Penal Code sec. 320.5
 - Creates a limited “charity-raffle” exception to California law prohibiting lotteries

What Is A Raffle?

- ☀ A “raffle” involves the purchase of a chance to win a prize
- ☀ “Raffle” elements:
 - Pay money
 - Paper ticket with identifying number and detachable stub
 - Drawing held to determine winner

Raffles

Limits On Who Can Conduct

- ☀ Must be an “eligible” organization:
 - A private nonprofit organization;
 - Qualified to do business in CA for at least one year before raffle conducted; and
 - Tax exempt under specific Rev. and Tax. Code sections

*Does not include public schools or other government entities

Raffles

Annual Registration

- ☀ Must be registered with Attorney General **prior to** conducting raffle:
September 1 – August 31
- ☀ Separate from **charity** registration under Government Code
- ☀ Must have confirmation letter from Registry **before** raffle conducted
- ☀ Each chapter of statewide organization must register separately

**Exemption:* nonprofit religious organizations, educational institutions, hospitals, BUT must comply with all other provisions of § 320.5

Raffles Restrictions

- ☀ 90% of gross receipts from ticket sales for each draw must either:
 - Be used by the organization conducting the raffle for its charitable or beneficial purpose
 - Or given to another eligible organization to use for its charitable or beneficial purpose

Raffles Restrictions

- ☀ Proceeds must be used in California
- ☀ Non-restricted funds from sources other than tickets can be used to pay for costs
- ☀ None of the 90% restricted funds can be used to compensate a person in connection with operation of the raffle
- ☀ Can advertise, but not conduct raffles on the internet

Raffles Restrictions

- ✦ Cannot use gaming machines to conduct raffles
- ✦ Cannot sell tickets or conduct raffle in a satellite wagering facility, at a racetrack or gambling establishment
- ✦ No legal entity or individual may hold financial interest in the raffle except eligible organization conducting, or receiving proceeds from, the raffle

Raffles Reporting

- ✦ **New:** A single aggregate report for all raffles held during the year
- ✦ FAQs and reporting form on AG website
- ✦ Report(s) filed no later than 10/1
- ✦ Reporting requires precise financial records
 - Total funds received
 - Total expenses
 - Charitable or beneficial purpose for which proceeds used
 - Name of eligible organization receiving proceeds

Raffles

Exemption from Regulation

A raffle is exempt if it meets all of these requirements:

- It involves general and indiscriminate distribution of tickets;
- Tickets are offered on same terms and conditions as tickets for which donation given; AND
- Participants are not required to pay for a chance to win

Penal Code, § 320.5, subd. (m)

Raffles: FAQ's

- Do we have to register if we call it an “opportunity drawing?”
- If participants are required to “pay to play” in order to have a chance to win a prize, the drawing is subject to the provisions of Penal Code section 320.5 and related regulations.

Raffles: FAQ's

- ☀ Is a silent auction the same as a raffle?
- ☀ No. A silent auction is not the same as a raffle. In a silent auction only the person willing to pay the highest bid amount is able to obtain the item.

Raffles: FAQ's

- ☀ How do we register to hold a raffle?
 - At least 60 days before the raffle submit:
 - Application for registration, \$20 fee, and copy of FTB exemption letter/entity status letter
 - If less than 60 days before the raffle:
 - Applications are processed in the order they are received
 - No expedited services are available

(*see raffle checklist on AG's website)

Raffles: FAQ's

- What happens if we don't register?
- An eligible organization must be registered with the Attorney General prior to conducting any activity associated with a raffle. Failure to comply with the provisions of section 320.5 is a misdemeanor; violations may be forwarded to local law enforcement.

RESOURCES

- AG's Website
 - Charity & Fundraiser Filings
 - Forms & Publications:
 - Registration guide
 - Guide to submitting transactions
 - Guide for Charities
 - Forms and instructions
 - Laws and regulations
 - Model contract
 - Resources re: conduct of raffles
 - Contact information for other government agencies, legal services, & technical assistance

Attorney General Contacts and Information

- Website resources (including registration & reporting, raffles, etc.) www.oag.ca.gov/charities
- Registration contact information:
 - registration@doj.ca.gov; (916) 445-2021 ext. 4
- Registration Renewal contact information
 - rrf1@doj.ca.gov; (916) 445-2021 ext. 5
- Delinquency contact information
 - delinquency@doj.ca.gov; (916) 445-2021 ext. 6
- Raffle contact information:
 - raffles@doj.ca.gov; (916) 445-2021 ext. 9
- Other specific questions:
 - tania.ibanez@doj.ca.gov

Property Tax Exemptions for Non-Profit Organizations

State of California
Board of Equalization

County-Assessed Properties Division
Sacramento, California

Property Taxation

(*ad valorem* taxes)

- In California all property is taxable unless specifically exempt
- Exemptions are not automatic
- Property = land
buildings
business personal property

Exemption Types

- Exemptions administered by Assessor
- Exemptions jointly administered by Board of Equalization and Assessor

Exemptions Administered by Assessor:

- Homeowners'
- Disabled Veterans'
- Church
- Religious
- Public School
- (Charter Schools may also qualify for Public School)
- College
- Lessor's
- Free Public Library/Museum
- Historical Aircraft
- Cemetery

Exemptions Jointly Administered by Board of Equalization and Assessor:

- Veterans' Organization Exemption
- **Welfare Exemption**

Welfare Exemption

- ▶ Non-Profit provides for the *welfare* of the community
- ▶ Jointly administered by Board of Equalization and local County Assessor
- ▶ Allows broadest exemption of property
- ▶ Owned property (or property leased from another entity receiving Welfare Exemption)
- ▶ Once granted, requires annual filing

Who Qualifies?

- Religious
- Hospital
- Scientific
- Charitable

Educational organizations may qualify
(Property Tax Rule 143)

Who Files the Welfare Exemption?

- ▶ Religious Organizations
- ▶ Charities
- ▶ Museums
- ▶ Theaters
- ▶ Zoological Associations
- ▶ Open-Space Preservation
- ▶ Organizations Involved with Rehabilitation
- ▶ Hospitals
- ▶ Clinics
- ▶ Low Income Housing
- ▶ Non-profit Schools
- ▶ Historical Associations

Two-Part Process

Non-Profit Organization Applies to:

1. Board of Equalization –

Organizational Clearance Certificate (OCC)

www.boe.ca.gov

2. Local County Assessor –

Welfare Exemption claim

Eligibility

- Non-Profit organizations and Limited Liability Companies
- Religious, Hospital, Charitable or Scientific
- Internal Revenue Service 501(c)(3)
California Franchise Tax Board 23701(d)
- Property ***used exclusively*** for qualified exempt activity

Organizational Clearance Certificate (OCC) Requirements

- OCC claim filed with Board of Equalization
www.boe.ca.gov
- Articles of Incorporation
- Tax letter from Internal Revenue Service or Franchise Tax Board
- Annual income and balance statements
- Description of exempt activity

- A claim for an Organizational Clearance Certificate should be filed with the Board of Equalization as soon as the organization decides to acquire taxable property
- Claims may be filed with the Board of Equalization at any time during the year

www.boe.ca.gov

Welfare Exemption Claim Requirements

- Welfare Exemption - filed with Assessor
- Organizational Clearance Certificate
- Also file Supplemental Affidavit to Welfare Claim if :
 - Low Income Housing,
 - Elderly/Disabled Housing
 - Rehabilitation
- Other organizations using property
- Requires annual filing

Welfare Exemption Claim

- File for each location
- Exempt activity must commence within 180 days of acquisition
- Assessor performs site visit
- After first filing, ***Welfare Exemptions due annually February 15***

County Property Tax Administration

- Assessor Valuations
 Exemptions
- Auditor Tax Rates
 Fixed Charges
 Special Assessments
- Tax Collector Tax Bills
 Tax Payments
 Refunds

Retroactive Filing

- ▶ Eligible from date acquired
- ▶ May file for current and 3 prior years
- ▶ Maximum late filing penalty - \$250/yr
- ▶ Late-filing penalty deducted from refund
- ▶ File claim for each year sought
- ▶ Verify exempt activity

Use of Exempt Property by Other Organizations

- Exempt use only
- Outside organization must be non-profit:
IRS 501 (c)(3), 501(c)(4) and/or
Franchise Tax Board 23701(d), (f) or (w)

Use by other organizations once a week or less does not require claim... *but*

- Meetings must be incidental
- No fundraising by other organization
- Owner must have user's tax exemption letter on file

Use more than once a week requires an Organizational Clearance Certificate and Welfare Exemption Claim

Partial Exemption

- ▶ Use of the property may qualify for a partial exemption.
- ▶ Exemptions pro-rated for use – not time
- ▶ Exemption is reviewed annually as of January 1
- ▶ Vacant, unused, or excessive land does not qualify

Supplemental Clearance Certificate

(for low-income housing properties)

- Claim Form BOE 277-L1
- Regulatory Agreement or Deed Restriction
- Limited Partnership Certificate LP-1
- LP amendments (LP-2, LP-6, & LP-10)

The screenshot shows the homepage of the California State Board of Equalization. At the top, there is a navigation bar with links for Home, Board Members, eServices, Taxes & Fees, Forms & Publications, Your Rights, Languages, and Contact Us. Below this is a search bar and a 'Skip to: Content | Footer | Accessibility' link. The main content area features a 'Welcome to the California State Board of Equalization' message, followed by a 'Quick Links' section. The 'Quick Links' section is divided into tabs: 'How Do I...', 'News, Notices, & Reports', 'Meetings', 'Small Business Center', and 'Outreach & Events'. Under the 'How Do I...' tab, the link 'Get Property Tax Information' is circled in red. Other links in this section include 'File my Return', 'Make a Payment', 'Report Suspected Tax Fraud', 'Start, Buy, Sell, or Close a Business', 'Get Income or Payroll Tax Information', 'Verify a Permit or License', 'Change My Address', 'Get Special Taxes & Fee Information - (Environmental Fees, Fuel Taxes, & Excise Taxes)', 'Get an Extension', 'Request Relief of Penalty', 'Appeal a Tax Ruling', 'Start a Career at BOE', and 'Find My Board Member'. Below the 'Quick Links' section, there are two columns: 'In the Spotlight' and 'Latest News'. The 'In the Spotlight' section lists several items, including 'California Lumber Products Assessment Information (Updated January 23, 2013)', 'Sales and Use Tax Rate Increases January 1, 2013', 'Dell and SBE Litigation Settlement on Optional Service Contracts- Claim for Refunds', 'California Use Tax Information', 'February 21, 2013 - Interested Parties Meeting in Sacramento', 'February 26-28, 2013 - Board Meeting in Culver City', 'CROS - Technology and Business Process Improvement Project', and 'American Indian Tribal Issues'. The 'Latest News' section lists '2/4/13 - Free Income Tax Return Preparation at VITA Locations in Kern County', '2/4/13 - Board of Equalization Appoints Internal Audit Division Chief', '2/8/13 - Interested Parties Meeting: February 20, 2013, in Sacramento', and '2/7/13 - California Gasoline Consumption Down While Diesel Use Up'. At the bottom of the page, there are buttons for 'Register Now' and 'Fire Fee Info'.

Property Tax - California State Board of Equalization - Windows Internet Explorer provided by Board of Equalization

http://www.boe.ca.gov/proptaxes/proptax.htm

The Property and Special Taxes Department administers three major property tax programs: the State-Assessed Property program, the Private Railroad Car Tax program, and the Timber Yield Tax program. In addition, the Department provides guidance to the 58 county assessors, who are charged with establishing values for approximately 12 million properties each year, and monitors the adequacy of their assessment practices. The Tax Area Services Section is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries.

**** What's new on the Property Tax webpage? ****

Information About

- Registered Warrants (IOUs)
- Assessment Practices Survey
- Private Railroad Car Tax
- State-Assessed Property
- Timber Yield Tax
- Training - Assessors' Staff
 - Self Study Training Sessions for Assessors' Staff
 - Self-Paced Online Learning Sessions for Assessors' Staff
- Training - Appeals Boards
- Legal Entity Ownership Program
- Property Tax Committee Projects
- Special Revenue District Boundaries
- Timber Yield Tax
- Organizational Clearance Certificate (OCC) - Welfare Exemption
 - Claim Forms
 - Community Benefit Test
 - List of Eligible Organizations
 - Request a Copy of your OCC
 - Virtual Nonprofit Seminar

Resources

- Annotations
- Assessment Appeals
- Assessors' Handbook
- County Listings
 - Assessors
 - Auditor-Controllers
 - Clerks of the Board
 - Tax Collectors
- Decline in Value (Proposition 8)
- Disabled Persons Transfers (Proposition 110)
- Forms
- Exemptions
 - Disabled Veterans' Exemption
- Frequently Asked Questions
- Guidelines and Procedures
- Letters To Assessors
- Parent-Child and Grandparent-Grandchild Transfers (Propositions 58/193)
- Persons 55/Older Transfers (Propositions 60/90)
- Property Tax Rules

Sign Up for Email Notifications

- Letters To Assessors and Current Legal Digest - Property Taxes Annotations
- Timber Tax Notices

Connect with Us:

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Claim Forms for Organizational Clearance Certificate or Supplemental/Clearance Certificate for - Windows Internet Explorer pro

http://www.boe.ca.gov/proptaxes/welfareclaimforms.htm

CA.GOV California State Board of Equalization

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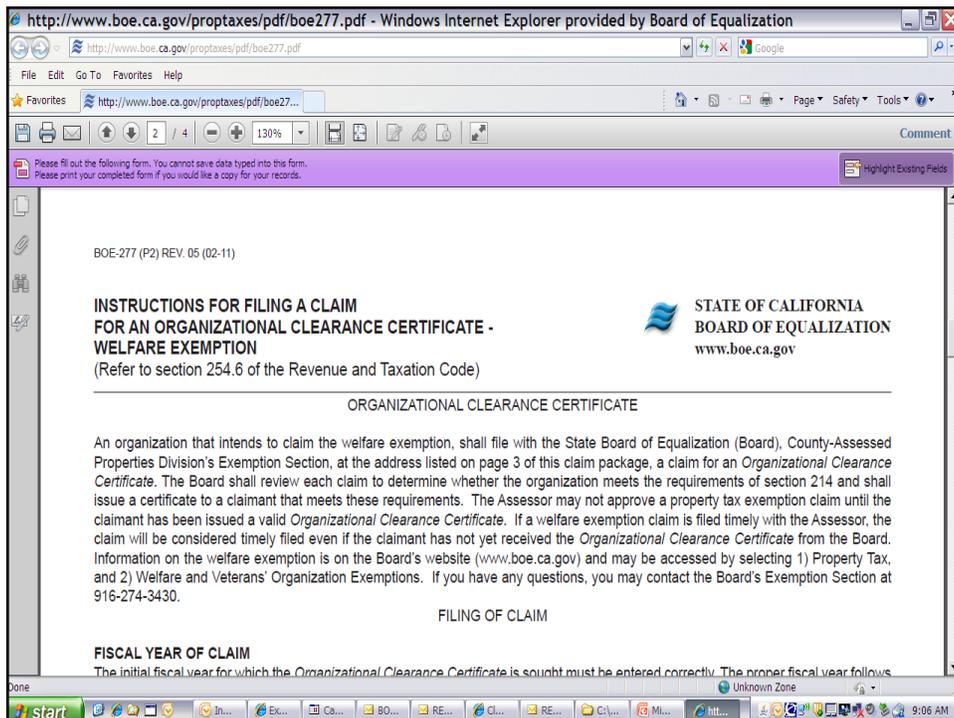
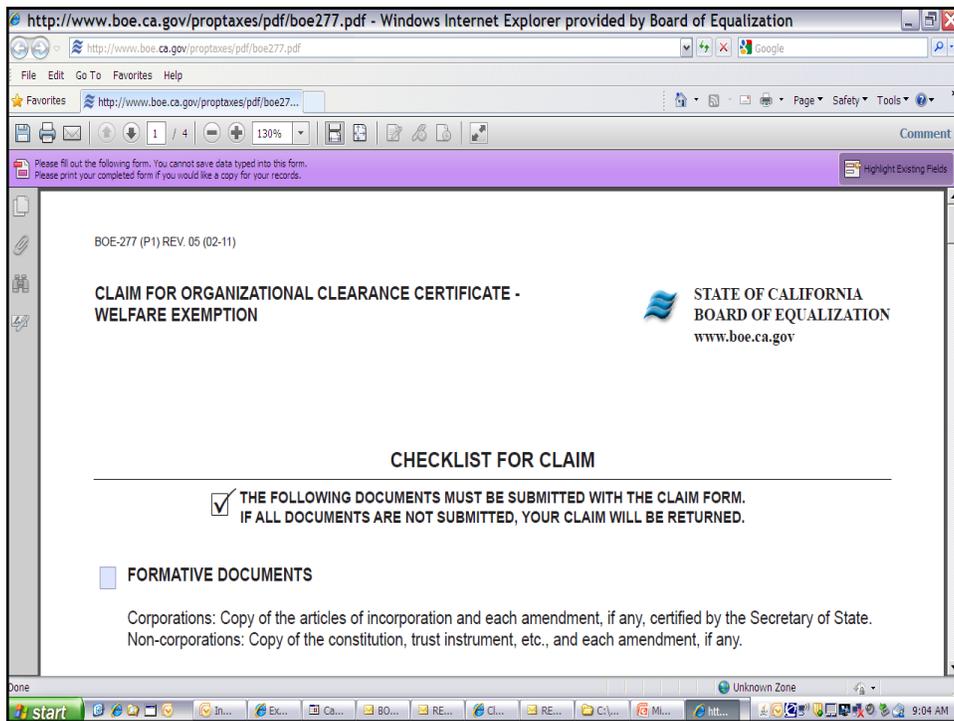
BOE Homepage | About BOE | Organization Directory | Glossary of Tax Terms | Help Center |

Claim Forms for Organizational Clearance Certificate or Supplemental Clearance Certificate for Managing General Partner

Claims for Organizational Clearance Certificate or Supplemental Clearance Certificate may be submitted anytime during the year. Adobe Acrobat Reader is required to view or print the claim forms.

- BOE 277 Claim for Organizational Clearance Certificate - Welfare Exemption**
Claim form filed by a nonprofit organization, that is seeking the welfare exemption from the county assessor, to request the issuance of an organizational clearance certificate to the organization.
- BOE-277-LLC Claim for Organizational Clearance Certificate - Welfare Exemption - Limited Liability Company. Claim form filed by limited liability company that is seeking the welfare exemption from the county assessor, to request the issuance of an Organizational Clearance Certificate.
- BOE 279 Claim for Organizational Clearance Certificate - Veterans' Organization
Claim form filed by a nonprofit organization, that is seeking the veterans' organization exemption from the county assessor, to request the issuance of an organizational clearance certificate to the organization.
- BOE 277-1 Claim for Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property-Welfare Exemption
Claim form filed by general partners of a limited partnership, to request the issuance of a supplemental clearance certificate for a low-income housing property owned and operated by a limited partnership with a managing general partner that is a nonprofit corporation of limited liability company.
- BOE-278-OCC Verification for Continued Eligibility of Organizational Clearance Certificate - Welfare Exemption or Veterans' Organization Exemption Claim form filed with the Board by organizations to provide updated information to ensure that the organization continues to meet the qualifications for exemption. (Only organizations that have previously met the organizational requirements of Revenue and Taxation Code section 214 and hold a valid Organizational Clearance Certificate must file this form.)
- BOE-278-SCC Verification for Continued Eligibility of Supplemental Clearance Certificate - Welfare Exemption Claim form filed with the Board by organizations to provide updated information to ensure that the organization continues to meet the qualifications for exemption. (Only organizations that have previously met the organizational requirements of Revenue and Taxation Code section 214(g), and Property Tax Rules 140, 140.1, and 140.2 and hold a valid Supplemental Clearance Certificate must file this form.)

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Page Safety Tools

Comment

Please fill out the following form. You cannot save data typed into this form. Please print your completed form if you would like a copy for your records.

Highlight Existing Fields

BOE-277 (P3) REV. 05 (02-11)

CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE - WELFARE EXEMPTION

This form must be completed and filed with the Board of Equalization, County-Assessed Properties Division, PO Box 942879, Sacramento, CA 94279-0064

 **STATE OF CALIFORNIA
BOARD OF EQUALIZATION**
www.boe.ca.gov

NAME OF ORGANIZATION _____ WEBSITE ADDRESS (if any) _____

MAILING ADDRESS (number and street) _____

CITY, STATE, ZIP CODE _____

CORPORATE ID NUMBER (if any) _____ FISCAL YEAR OF CLAIM (see instructions)
20__ - 20__

FORMATIVE DOCUMENTS

1. IS THIS ORGANIZATION A CORPORATION? YES NO If YES, go to (A) below, if NO, go to (B) below.

A. Date of Incorporation (Date filed with Secretary of State): _____
Dates of all amendments to the Articles of Incorporation, if any: _____

Done

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Page Safety Tools

Comment

Please fill out the following form. You cannot save data typed into this form. Please print your completed form if you would like a copy for your records.

Highlight Existing Fields

BOE-277 (P4) REV. 05 (02-11)

ACTIVITIES

8. IS THIS ORGANIZATION ORGANIZED AND OPERATED FOR CHARITABLE, RELIGIOUS, HOSPITAL, AND/OR SCIENTIFIC PURPOSES? YES NO If YES, please identify the purpose of the organization and provide additional information as requested below. If necessary, this information may be provided on a supplemental attachment.

CHARITABLE PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

- SOCIAL SERVICES
- LOW-INCOME HOUSING AND/OR ELDERLY HANDICAPPED HOUSING
- MANAGING GENERAL PARTNER OF LIMITED PARTNERSHIP THAT OWNS AND OPERATES LOW-INCOME HOUSING PROPERTY. Submit a Claim for Supplemental Clearance Certificate, BOE-277-L1, for each limited partnership property.
- OTHER

RELIGIOUS PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

- CHURCH, OR CHURCH AND SCHOOL
- HOUSING OF RELIGIOUS PERSONNEL
- OTHER

HOSPITAL PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

If the operating revenues, exclusive of gifts, endowments and grants-in-aid, exceed operating expenses by an amount equivalent to 10% of those operating expenses, describe the use(s) of the surplus revenue:

- HOSPITAL
- MULTI-SPECIALTY CLINIC
- OTHER

Done

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http://www.boe.ca.gov/proptaxes/pdf/boe277.pdf - Windows Internet Explorer provided by Board of Equalization

http://www.boe.ca.gov/proptaxes/pdf/boe277.pdf

Please fill out the following form.

BOE-277 (P3) REV. 04 (08-08)

CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE - WELFARE EXEMPTION
This form must be completed and filed with the Board of Equalization, County-Assessed Properties Division, PO Box 942879, Sacramento, CA 94279-0064

STATE OF CALIFORNIA
 BOARD OF EQUALIZATION
 www.boe.ca.gov

NAME OF ORGANIZATION _____ WEBSITE ADDRESS (if any) _____

MAILING ADDRESS (number and street) _____

CITY, STATE, ZIP CODE _____

CORPORATE ID NUMBER (if any) _____ FISCAL YEAR OF CLAIM (see instructions) 20__ - 20__

FORMATIVE DOCUMENTS

1. IS THIS ORGANIZATION A CORPORATION? YES NO If YES, go to (A) below, if NO, go to (B) below.

A. Date of Incorporation (Date filed with Secretary of State): _____
 Dates of all amendments to the Articles of Incorporation, if any: _____
 ATTACH A COPY OF THE ARTICLES OF INCORPORATION, AND EACH AMENDMENT, CERTIFIED BY THE SECRETARY OF STATE.

B. Date of Organization (Date filed with Secretary of State): _____
 Dates of all amendments to the constitution, trust instrument, or other document evidencing the nature of the organization: _____
 ATTACH A COPY OF THE CONSTITUTION, TRUST INSTRUMENT, ETC., AND EACH AMENDMENT.

TAX-EXEMPT STATUS LETTER

2. IS THE ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER THE PROVISIONS OF SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND/OR EXEMPT FROM STATE FRANCHISE OR INCOME TAX UNDER THE PROVISIONS OF SECTION 23701d OF THE REVENUE AND TAXATION CODE?

Done Unknown Zone

Board of Equalization Website www.boe.ca.gov

- Claim for Organizational Clearance Certificate
<http://www.boe.ca.gov/proptaxes/welfareclaimforms.htm>
- Assessors' Handbook AH 267:
Welfare, Church, and Religious Exemptions
<http://www.boe.ca.gov/proptaxes/pdf/ah267.pdf>

Board of Equalization Website www.boe.ca.gov

- County Assessors and contact information:
<http://www.boe.ca.gov/proptaxes/assessors.htm>
- Publications and Forms
http://www.boe.ca.gov/cgi-bin/form_search.cgi

Board of Equalization Website www.boe.ca.gov

- Irrevocable Dedication and Dissolution language:
www.boe.ca.gov/proptaxes/pdf/143Adopted.pdf
- Publication 149 – Property Tax Welfare Exemption:
www.boe.ca.gov/proptaxes/pdf/pub149.pdf
- Frequently Asked *Questions*:
www.boe.ca.gov/proptaxes/faqs/faqspropindex.htm

Board of Equalization Website www.boe.ca.gov

- List of Eligible Organizations:
▶ www.boe.ca.gov/proptaxes/welfareorgeligible.htm
- Taxpayers' Rights Advocate Office
- <http://www.boe.ca.gov/tra/tra.htm>

Exemption Contact Information

- Board of Equalization website:
www.boe.ca.gov
- Organizational Clearance Certificate:
(916) 274-3430
- Welfare Exemption claim forms:
County Assessor

Webster J. Guillory Orange County Assessor

- ▶ Civic Center Plaza, Building 11
625 N. Ross Street, Room 142
Santa Ana, CA 92701
- ▶ Institutional Exemptions (714) 834-2779
- ▶ Monday through Friday from 8:00 AM – 4:45 PM

Exemption Contact Information

- Board of Equalization website:
www.boe.ca.gov
- Organizational Clearance Certificates:
(916) 274-3430
- Welfare Exemption and Veterans' Organization
claim forms:
County Assessor

Thank you!

*Your work is a **vital** part of the fabric of this community. Thank you for enhancing the lives of your fellow Californians!*

**State of California
Board of Equalization**



State of California
Franchise Tax Board

Exempt Organizations Filing and
Compliance – General Information

Overview

- Filing Requirements
- Application Process
- State and Federal Differences
- Other Topics
- Resources

Filing Requirements

Filing Requirements

Tax-exempt organizations may have to file one or more of the following:

- **Information Returns**
 - Form 199 – *California Exempt Organization Annual Information Return*
 - FTB 199N – *California e-Postcard* – Available online only
- **Income Tax Returns** (to report taxable income)
 - Form 109 – *California Exempt Organization Business Income Tax Return*
 - Form 100 – *California Corporation Franchise or Income Tax Return*

Filing Requirements – Information Returns

All organizations must annually submit an information return to the FTB except for the organizations that have received California exemption as:

- a Church
- a Political Organization under 23701r
- a Pension Plan or IRA

Filing Requirements – Information Returns

199 or 199N?

- Form 199 is required to be filed annually for organizations with total gross receipts (including pledge income) “normally” above a minimum amount (aka filing threshold.)
- The term "normal" means an average of up to 3 years.
- FTB 199N is filed for organizations whose normal income is at or below the filing threshold.
- Private Foundations and Trusts must file Form 199 regardless of income amounts.



Filing Requirements – Forms 199 vs. 199N

Exempt under all R&TC Sections 23701 (except Churches or political)	Gross Receipts normally:	Form filed:
Tax year 2012 and subsequent:	More than \$50,000	199
	Equal/Less than \$50,000	199N
Tax year 2010 and 2011 :	More than \$25,000	199
	Equal/Less than \$25,000	199N
Tax year 2009 and prior:	More than \$25,000	199
	Equal/Less than \$25,000	None
Private foundations and Nonexempt charitable trusts	All	199

Refer to FTB Pub 1068 for more information

Filing Requirements – Form 199

Tax year 2012 and subsequent*

If the organization existed	File Form 199 if the gross receipts and pledges exceed
1 year or less	\$75,000.
More than 1 but less than 3 years	\$60,000 average for the current year and the immediate prior year.
3 years or more	Greater than \$50,000 average for the current year and the immediate preceding 2 years.

* Refer to FTB Pub 1068 for tax years 2011 and prior

Filing Requirements – Form 199N

FTB 199N, *California e-Postcard*, requirements:

- Exempt organizations may choose to file FTB 199N, *California e-Postcard*, if they have a gross receipts average less than the filing threshold.
- Filing the *California e-Postcard* is free.
- *California e-Postcard* can only be filed online.
- Organizations cannot file the e-Postcard prior to the 2010 tax year. (Tax years 2009 and prior, organizations below the filing threshold did not have to file,)
- The organization may choose to file the complete Form 199.





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199N California e-Postcard

This requirement applies to account periods beginning on or after January 1, 2010.

Most tax-exempt organizations whose annual gross receipts are normally \$50,000 or less (\$25,000 for tax years beginning January 1, 2010 and before January 1, 2012) are required to electronically submit the 199N, unless a Form 199 is filed.

For more information, see [199N filing requirements](#).

To submit an e-Postcard, you need:

- Your Entity ID number or California Corporation number.
- [Basic information](#) about your organization.
- A [compatible browser and operating system](#).

For security purposes, you have 20 minutes to complete each page. After 20 minutes your session ends and you must start over.

We provide a confirmation number as proof you successfully filed your e-Postcard. Print the confirmation page for your records.

We recommend you log out and close your browser when you are done to ensure the highest level of security.

Exempt Organizations
Filing and Compliance
FTB 932 (REV 02-2014)

Filing Requirements – Fees

Form 199

Organizations pay a \$10 fee if they:

- file and pay by the original due date.
- file and pay after the original due date, but on or before the extended due date.

The fee is \$25 if they:

- file by the original due date, but pay after that date.
- file and pay after the extended due date.



Exempt Organizations
Filing and Compliance
FTB 932 (REV 02-2014)

Filing Requirements – Fees

Exceptions to Form 199 filing fee:

Organizations which have received tax-exemption under R&TC Section 23701(d) can request a fee exception if they are:

- An exclusively religious organization.
- An organization that is controlled by a religious organization.
- A school.
- A charitable organization that is primarily supported by the general public or funded by the U.S. or any state.

The fee exception must be requested by checking the appropriate box on Form 199.

Filing Requirements – Due Dates

- Form 199 or FTB 199N must be filed on or before the 15th day of the 5th month after the close of the organization's tax year.
- An automatic 7 month extension is given to file Form 199 if the organization is not suspended on the original due date.
- The extension is **only** for filing the return, It is **not** an extension of time to pay any fees that may be due.



Filing Requirements - Penalties

- FTB imposes a late penalty if an organization does not file Form 199 by the extended due date, regardless of when the fee is paid.
- The penalty is \$5 per month, or portion of a month, the Form 199 is late.
- The maximum penalty is \$40.
- FTB imposes the penalty from the original due date of the return.
- There is no penalty assessed for filing a late Form 199N.

Organizations that fail to file their Forms 199 or 199N for three consecutive years may have their exemption revoked.

Filing Requirements – Income Tax Returns

- Organizations (except those described in R&TC Sections 23701t and 23701r) that have unrelated business income (UBI) of \$1,000 or more must file Form 109, *California Exempt Organization Business Income Tax Return*.
- Organizations exempt under R&TC Section 23701t and 23701r (homeowners associations and political organizations) with taxable income over \$100 must File Form 100, *California Corporation Income or Franchise Tax Return*.
- See the IRS Publication 598 - *Tax on Unrelated Business Income of Exempt Organizations*, for the detailed explanation of UBI.

Filing Requirements – Tax Return Due Dates

Form 109:

- For most organizations - Due on the 15th day of the 5th month after the close of the tax year.
- Trusts - Due on the 15th day of the 4th month.

Form 100:

- Due on the 15th day of the 3rd month after the close of the tax year.



Application Process

Application Process

To receive tax-exempt status in California, an organization must file **one** of the following with the Franchise Tax Board:

- Form 3500, *Exemption Application*.
- Form 3500A, *Submission of Exemption Request* - for organizations that have already been granted tax-exempt status by the Internal Revenue Service (IRS)



Application Process – Form 3500

Form 3500, *Exemption Application*, requires organizations to:

- State which California R&TC section they are applying for.
- Answer questions on SIDE 1 through SIDE 8.
- Complete the *Specific Section Questions* listed for the R&TC section they are applying under.
- If applicable, complete Schedule A (churches), Schedule B (hospitals) or Schedule C (credit counseling organizations)

Application Process – Form 3500

The following must be attached to Form 3500:

- \$25 Application fee, payable to the Franchise Tax Board.
- Copy of organization’s creating document
- Copy of organization’s bylaws or proposed bylaws

May also be required:

- Covenants, Conditions, and Restrictions (CC&R) if the organization is a homeowner’s association.
- Trust Agreement if the organization is organized as a trust.
- A federal determination letter if the organization is a foreign organization, qualifying trust, 23701a (cooperatives only), or 23701i (Voluntary Employee Benefit Association).

Application Process – Form 3500A

Form 3500A, *Submission of Exemption Request*, requires organizations to:

- Answer questions in Parts I, II, and III
- Attach a copy of the federal determination letter received from the IRS granting exemption under Internal Revenue Code Sections 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), or 501(c)(7).

The effective date of California exemption will be the date of exemption as listed on the federal determination letter. If the federal effective date is later than the incorporation date, the organization should consider filing Form 3500.

Application Process

FTB treats Form 3500 and Form 3500A as:

- A revivor request if the organization is suspended.
- A claim for refund.
- A request for reinstatement of exemption if an organization had their tax-exempt status revoked as a result of non-filing or non-payment of a balance due. (Must file Form 3500)

State and Federal Differences

State and Federal Differences

Minimum Tax

- California Law imposes a minimum \$800 franchise tax for all corporations that are not specifically exempt.
- Federal Law does not have a minimum tax.

State and Federal Differences

Churches

- For federal purposes, churches that meet the requirements of IRC section 501(c)(3) are automatically tax-exempt and do not have to apply for recognition of tax-exempt status from IRS.
- For California purposes, churches must file an Exemption Application (Form 3500) along with all required documentation and FTB must make a determination that the organization qualifies for tax-exempt status.

State and Federal Differences

Religious, Charitable, Scientific, Literary, or Educational

- IRS imposes excise taxes on some 501(c)(3) organizations with excess benefit transactions.
 - California does not have excise taxes.
- Federal law allows charitable organizations with gross receipts less than \$5,000 to self-declare they are tax-exempt.
 - California law requires **all** organizations (regardless of income) to apply for tax exemption.

State and Federal Differences

Limited Liability Companies (LLCs)

- Federal law allows LLC's to receive exemption if they elect to be treated as disregarded entities.
- California law allows LLCs tax-exempt status only for the following:
 - The LLC elects on federal Form 8832, *Entity Classification Election*, to be treated as a corporation and it meets **all** the other requirements of R&TC Section 23701.
 - The LLC is seeking exemption as a title holder and they meet **all** of the requirements of R&TC Sections 23701h or 23701x.

Other Topics:

- Information, Disclosure, and Privacy
- Franchise Tax Board (FTB) Suspensions
- Secretary of State (SOS) Suspensions
- Attorney General's Office, Registry of Charitable Trusts
- Dissolving an Exempt Organization

Information, Disclosure, and Privacy

- FTB keeps the application and all associated documentation confidential until FTB issues a tax-exempt status determination or acknowledgement.
- During the application process, FTB does not discuss the application with any unauthorized person.
- Once exemption is granted, Form 3500, Form 3500A, and all supporting documents become open to public inspection.



Franchise Tax Board Suspensions

Reasons for FTB suspension include:

- Failure to file a return.
- Nonpayment of balance due.
- Failure to pay a penalty imposed by the Secretary of State (collected by FTB) for failure to timely file a Statement of Information with SOS. (see next slide)

Organizations that are FTB suspended will have their tax exempt status revoked, and will need to re-apply for exemption.

Secretary of State (SOS) Suspensions

Reasons for SOS suspension include:

- Failure to file a Statement of Information with SOS.
- File this form online through SOS website at sos.ca.gov
(HOA's must file their Statements of Information in the mail)

SOS Suspensions are automatically reported to FTB.

Organizations that are SOS suspended will have their tax exempt status revoked by FTB, and will need to re-apply for exemption.

Attorney General's Office, Registry of Charitable Trusts

All charities and organizations with charitable assets may be required to register and file with the Attorney General's (AG) Office, Registry of Charitable Trusts (RCT).

Organizations that fail to comply with RTC requirements are reported to FTB, and may have their tax-exempt status revoked.

Dissolving an Exempt Organization

Organizations that are discontinuing operations must follow the guidelines in the following publications to formally dissolve.

- Attorney General's Publication, *General Guide for Dissolving a California Nonprofit Corporation* (available on the AG website: oag.ca.gov and search for "dissolve".)
- Organizations incorporated in California, or organizations incorporated in another state and qualified to conduct business in California must submit forms with the Secretary of State (forms available on the SOS website: sos.ca.gov and search for "dissolve".)

Resources:

- FTB Exempt Forms and Publications
- Exempt Organizations Webpage
- Taxpayers' Rights Advocate
- Contact Information

FTB Exempt Forms and Publications

- Pub. 927 - *Overview of Exempt Organizations*
- Form 3500 - *Exemption Application*
- Form 3500A - *Submission of Exemption Request*
- Form 3557E - *Application for Certificate of Revivor*
- Pub . 1077 - *Guidelines for Social and Recreational Organizations*

FTB Exempt Forms and Publications (cont.)

- Pub. 1068 - *Exempt Organization – Filing Requirements and Filing Fees*
- Form 199 - *California Exempt Organization Annual Information Return*
- FTB 199N - *California e-Postcard – Online only*
- Form 109 - *California Exempt Organization Business Income Tax Return*
- Form 100 - *California Corporation Franchise or Income Tax Return*

Exempt Organizations

Website: ftb.ca.gov and search “charities”.

The Exempt Organizations Unit webpage includes:

- What’s new
- Filing requirements
- Tax-exempt process
- Exempt forms and publications
- Exempt organizations list
- Revoked exempt organizations list
- Links to other agencies you may be required to file with

Webpages are continuously updated with new information.

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- [Form 100](#)
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- [Form 199](#)
- [Form 3500](#)
- [Form 3500A](#)
- [Form 3557E](#)

Online Services

- [199N e-Postcard](#)
- [Entity Status Letter](#)
- [Web Pay](#)

Charities and Nonprofits (Exempt Organizations)

What's new

- [Tax-exempt automatic revocations](#)**

The Franchise Tax Board is currently mailing the automatic revocation notices to organizations that have not filed the required FTB 199N, California e-Postcard.
- Expanded use of Form 3500A, Submission of Exemption Request.**

Effective January 1, 2014, organizations that are federally tax-exempt under Internal Revenue Code (IRC) 501(c)(4), 501(c)(5), 501(c)(6), or 501(c)(7) may submit Form 3500A, Submission of Exemption Request with a copy of their Internal Revenue Service (IRS) tax-exempt determination letter to establish their state tax-exempt status. Organizations whose tax-exempt status is revoked by Franchise Tax Board must continue to use the Form 3500, Exemption Application to reinstate their tax-exempt status.

Key features

Most charities and nonprofit organizations must apply for and receive a determination or acknowledgement letter from us in order to be recognized as tax-exempt in California.

Exempt Organizations Filing and Compliance
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Entity Status Letter

Free! Check the status of an entity and print an entity status letter.

An entity status letter shows whether or not a business entity is in good standing with us and provides certification to use for:

- Legal status in court proceedings.
- An outstanding liability that could have an effect on an entity's credit rating (e.g., the closing of escrow).
- Verification of an exempt status.
- Registering a corporation or LLC to transact business in another state.

It only contains public information and does not reflect the entity's status with other agencies.

Types of entities

You can request an entity status letter for the following:

- Corporations
- Exempt organizations
- Banks
- Financial institutions

Exempt Organizations Filing and Compliance
FTB 932 (REV 02-2014)

Taxpayers' Rights Advocate

If the Organization is unable to resolve their issues, they may then contact our Taxpayers' Rights Advocate.

Website: ftb.ca.gov and search for **Advocate**

Telephone: 800.883.5910 / Fax: 916.843.6022

Mail:

Taxpayers' Rights Advocate
Executive and Advocate Services MS A381
PO Box 157
Rancho Cordova CA 95741-0157

Taxpayers' Rights Advocate

If you write to the Taxpayers' Rights Advocate, be sure to include your daytime telephone number so we can respond to you as quickly as possible.

Contacting the Taxpayers' Rights Advocate does not constitute a protest or an appeal, and it does not extend the time for you to protest or appeal.

Contact Information:

EXEMPTS ORGANIZATIONS UNIT MS F120
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

For more information, call FTB's Exempt Organizations Unit at 916.845.4171, weekdays, 7 a.m. to 4:30 p.m., except state holidays.

Or go to ftb.ca.gov and search for **charities**.