

## Nonprofit Compliance Checklist



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

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

Key state offices include:

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

**To find out if you have missed any state filings,** go to [this page](#) at the California State Registry of Charitable Trusts. Type in the name of your nonprofit and it will show you as being "Current," "Delinquent," "Suspended," or another category. (**Tip:** If the database doesn't find your organization, try using your FEIN rather than your name.)

If your organization is listed as suspended or delinquent by the Attorney General's Registry of Charitable Trusts, review the [Frequently Asked Questions](#) (FAQs) on curing delinquency or use [this link](#) to email the Attorney General's office and ask for assistance. Please be aware that failure to remedy delinquencies may lead to penalties and even revocation of your tax-exempt status.

**Note:** A 501(c)(3) nonprofit is called a "charity" in legal forms.

## California Forms



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

1. **All charities**, regardless of receipts or assets (except those specifically exempted such as religious congregations, hospitals, and schools) must file the Annual Registration Renewal Fee Report ([RRF-1 Form](#)) no later than four months and 15 days after the close of the organization's calendar or fiscal year (e.g., if your fiscal year ends on December 31, this form is due on May 15). The purpose of Form RRF-1 is to help the Attorney General's Office detect fiscal mismanagement and unlawful use of charitable assets. This form requires a fee of between \$25 and \$1,200 based on your organization's total revenue that year.

Note: The RRF-1 requires that you attach a copy of your 990, 990EZ, 990PF, 1120, or submit a treasurer's report (Form CT-TR-1)

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

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

**If your nonprofit had \$50,000 or less in gross receipts**, instead of Form 199 you should file the Annual Electronic Filing Requirement for Small Exempt Organizations [FTB 199N](#) (the "California e-Postcard") – this no-cost form has the same due dates as FTB Form 199. (And see note above related to CT-TR-1 that must be filed with the CT-TR-1.)

*Extension of time to file:* Unless your organization is under suspension on the due date of the 199 or the 199N, you will be given an automatic extension of six months. No need to apply for the extension.

3. **All California nonprofits** must file the Statement of Information ([Form SI-100](#)) every two years with the Secretary of State. The form may be [filed electronically](#) and has a fee of \$20. This form is first due within 90 days for filing the initial Articles of Incorporation and thereafter is due every two years during the calendar month that the Articles of Incorporation were filed and can be filed up to five months in advance of that date. (For example, if your organization was

formed in March of 2016 by filing your Articles of Incorporation, then you must file SI-100 in March of 2016, 2018, 2020, 2022, and so forth.)

## California forms for some nonprofits

**4. Nonprofits with employees or independent contractors:** When it comes to employment laws and regulations, nonprofits and for-profit have almost all the same rules. See the “Forms and Due Dates” section of the [California Employer’s Guide](#).

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

**6. If your organization has filed IRS Form 5768 in order to make and report on limited political or legislative activities during the year,** you must file the Political or Legislative Activities by Section 23701d Organizations Form ([Form 3509](#)). This form is where such activities are reported, and it must be attached to Form 199.

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

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

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

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

- **Nonprofit Raffles Checklist** - A [checklist](#) of forms and deadlines for nonprofits conducting raffles
- **Nonprofit Raffle Registration Form (CT-NRP-1)** - Submitted by nonprofits planning to conduct a raffle from September 1 through August 31. This form must be submitted and approved before conducting a raffle (plan for it to take 30 days). Note: new raffle due

have been proposed but not enacted. Make sure you are using a current form and not an old one.

- **Nonprofit Raffle Report** ([CT-NRP-2](#)) - Use this form to report all raffles conducted during the reporting year. This form is due on or before October 1. (If you registered to hold a raffle but did not do so, you must still file a Nonprofit Raffle Report stating you did not have a raffle.)
- **Nonprofit bingo, charity poker, or “Monte Carlo” night?** These games use devices (unlike raffles) and so [are regulated](#) by the Bureau of Gambling Control in the State Department of Justice (see the laws [here](#)). Pre-approval is required (estimate 30 days for the approval process). Not all California counties permit these games, and some may have additional rules. The [Charitable Gambling Registration](#) form can be filed online and requires a \$100 fee.

## U.S. Federal Forms (IRS)



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

- **Return of Organization Exempt from Income Tax** ([Form 990](#)) ([Instructions](#)) – This is the federal government’s annual information return for tax-exempt organizations. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).
- **Short form Return of Organization Exempt from Income Tax** ([Form 990-EZ](#)) ([Instructions](#)) – Tax-exempt organizations with gross receipts less than \$200,000 and total assets at the end of the tax year less than \$500,000 can opt to file this form rather than Form 990. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).
- **Annual Electronic Filing Requirement for Small Exempt Organizations** ([Form 990-N](#)) – This is the federal government’s annual information return for tax-exempt organizations that normally have gross receipts of \$50,000 or less -- sometimes called the e-Postcard. The form must be filed on or before the 15th day of the fifth month after the close of the organization’s taxable year (e.g., if the year ends December 31, the form is due no later than May 15).

While a Form 8868 (request for extension) cannot be filed for a 990-N, eligible organizations should still submit a 990-N, even if it beyond the due date. [Here is what the IRS says](#) regarding filing the 990-N late.

- If you are a private foundation, you must file [Form 990PF](#). ([Instructions](#))

**\*Please Note:** Not filing for three consecutive years will result in automatic revocation of tax-exempt status as of the third year's non-extended filing due date.

### How to file 990s:

Nonprofits must file all 990 versions electronically through an [IRS Authorized e-File Provider](#). Many nonprofits have their auditors or accountants file their 990s. [Form990Online](#) provides free filing for nonprofits with annual revenue less than \$100,000, and CalNonprofits members with higher revenue can obtain a 25% discount on fees.

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

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

## Other Useful Resources

### CALIFORNIA ATTORNEY GENERAL FORMS

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

- Search for a nonprofit and see if you are up-to-date on filing state forms: Registry of Charitable Trusts - This is the [search page](#) for the Attorney General's Registry of Charitable Trusts.
- [Complaint](#) to the California Attorney General regarding a charity or charitable solicitation - This [form](#) can be used to file a complaint for misuse of charitable assets or fraudulent fundraising practices.
- [Attorney General's Guide for Charities](#) - Provides practical information and answers to questions frequently asked about charities and summarizes some of the laws governing nonprofits.
- [Initial Registration with the Registry of Charitable Assets \(Form CT-1\)](#) - Form used by all charitable corporations to register with the Registry of Charitable Assets. The form is due within 30 days of initially receiving assets.

- Fundraising firms: There are two forms related to "commercial fundraisers" ([Form CT-1CF](#)) and "fundraising counsel" [Form CT-3CF](#). "Commercial fundraisers" can be individuals or firms who solicit donations on your behalf, and often collect the funds before passing them on to you. "Fundraising counsel" help plan and manage solicitations, but do not ask for donations themselves nor do they receive donations on your behalf. Each type must register with the Registry of Charitable Trusts before beginning work with you. Note that the fundraiser or counsel must file these forms, not the nonprofit. You can refer them to [this page](#) with more information.
- [General Guide for Dissolving a Nonprofit Corporation](#) - [Guide](#) outlining the steps that should be taken to dissolve (close down) a California nonprofit organization.

## CALIFORNIA SECRETARY OF STATE FORMS

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

- **Amendment of a California Nonprofit Corporation's Articles of Incorporation** - This [form](#) is used to amend provisions of the Articles of Incorporation.
- **Registration of an Unincorporated Nonprofit Association** - [Form](#) used to register an unincorporated nonprofit association.

## CALIFORNIA FRANCHISE TAX BOARD

- [Information Page for Exempt Organizations](#)
- [California Franchise Tax Board Exempt Organizations Forms](#)
- When you are first applying for California tax exempt status: File [Form 3500A \(Instructions\)](#) if you have already received a determination letter from the IRS; if not file [Form 3500](#).

## BOARD OF EQUALIZATION: PROPERTY TAX EXEMPTION

Nonprofit Property Tax Exemption - Real and personal property owned by certain nonprofit organizations may be exempt from California Property Tax. This tax exemption is known as the welfare exemption and is managed by the Board of Equalization and the County Assessors offices. You must apply to Assessor's Office in your county. Learn more about the exemption [here](#); and here is a [list](#) of county assessors.

## INTERNAL REVENUE SERVICE FORMS

- [Information Page for Charitable Organizations](#)
- [Before Applying for Tax Exempt Status](#)
- [Applying for tax exempt status](#)
- Organizations seeking federal 501(c)(3) status must apply using either [Form 1023](#) or Form 1023EZ. Either must be filed electronically at [www.pay.gov](http://www.pay.gov). To see if you are eligible for Form 1023EZ check [here](#) (generally that you expect to have annual revenue of less than \$50,000).

## FROM CALNONPROFITS

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

*This resource is provided for informational purposes only and does not constitute legal advice. CalNonprofits encourages nonprofits to seek assistance from qualified professionals for guidance on what federal and state and filing obligations. If you find something in error or that needs clarification, please let us know by emailing us [here](#).*

A special thanks to Tania Ibanez and her team at the California State Attorney General's Office, Audrey Rowe of the Exempt Organizations and Nonprofits Unit of the Franchise Tax Board, and Elizabeth Ponsano and Rosemary Fei at AdlerColvin.

[The California Association of Nonprofits](#) is a voice for nonprofits to government, the philanthropic community, and the general public. CalNonprofits members enjoy extensive benefits including access to an array of affordable employee health care plans, D&O insurance, workers compensation insurance, and discounts on office supplies, background checks, HR resource library, and more.