

The Corporate Compliance Calendar

**Presentation to
District 16, Department of California
American Legion**

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**November 6, 2014
Veterans Memorial Building
Santa Barbara, California**

The Corporate Compliance Calendar

Intro: Why Does Compliance Matter?

Potential consequences of non-compliance include:

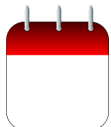
- Loss of tax-exempt status and/or corporate existence
- Penalties
- Loss of liability shield

Part 1: Government Filings



A. Taxpayer ID Number (TIN or EIN)

- Like a “Social Security Number” for corporations
- Also called “Employer ID Number” – even if you have no employees!
- Original TIN is issued from Form SS-4
- Any change in **address** or **responsible party** must be reported on Form 8822-B



Calendar: Check annually the need for possible update, and file Form 8822-B if required.

B. Tax Returns

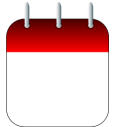
- Veterans organizations are usually exempt under IRC 501(c)(19)

- Form 990-series returns are required, even though the organization is tax-exempt

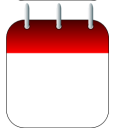
Form 990 – gross receipts >\$200,000 or total assets >\$500,000

Form 990-EZ – optional if neither 990 trigger above applies

Form 990-N (“e-postcard”) – optional if gross receipts <\$50,000



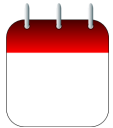
Calendar: Due 15th day of 5th month after fiscal year end (e.g., May 15 for calendar year entity), subject to extensions.



Calendar: Board of directors should review and approve annual return prior to filing

C. Other Possible IRS Requirements

- **Form 1099s** – Report payments (>\$600) to contractors



Calendar: Legal deadline is beginning of March (paper) or March 31 (electronic), but vendors will appreciate a January filing.

- **Forms W-2, W-3, 941, 944, 945** – If you have employees



Calendar: Payroll tax returns are due at least quarterly and annually.

- **Form 990-T** – Unrelated Business Income Return



Calendar: Due at same time as 990-series returns.

For more information about IRS requirements: IRS Tax Guide – Veterans’ Organizations (<http://www.irs.gov/pub/irs-pdf/p3386.pdf>)

California Franchise Tax Board

- A. ID Number** – The FTB uses IRS TIN or Secretary of State Corporation Number; there is not a separate tax ID system for California FTB filings
- B. Tax Returns** – Organizations exempt under Rev. & Tax. Code 23701w are “tax exempt” but still must file a return on Form 199, if they meet the threshold indicated in the following table, or Form 199-N if they do not:

If your organization has existed:	File Form 199 if the gross receipts threshold is:
1 year or less	More than \$75,000
More than 1 year, but less than 3 years	More than \$60,000 (average for current year and immediately preceding year)
3 years or more	More than \$50,000 (average for current year and immediately preceding 2 years)

- C. Unrelated Business Income** – Form 109 is required if unrelated business taxable income is greater than \$1,000.



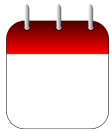
Calendar: FTB returns are due 15th day of 5th month after fiscal year end (e.g., May 15 for calendar year entity) – same deadline as for IRS returns – subject to extensions.

- D. Other Returns** – Like the IRS, the FTB has periodic reporting and payment requirements relating to employee payroll taxes.
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State of California Department of Justice
Office of the Attorney General

Registration Required?

- Almost all California public benefit corporations must register with the AG's Registrar of Charitable Trusts.
- Legion Posts are exempt from this registration requirement if they are organized as *mutual benefit* corporations.
- Affiliated nonprofit public benefit corporations must register with the AG initially and file an annual report (Form RRF-1) with the AG at the same time tax returns are due.



Calendar: RRF-1 is due 15th day of 5th month after fiscal year end (e.g., May 15 for calendar year entity) – same deadline as for IRS and FTB returns – subject to extensions.

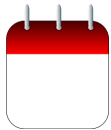


**Secretary of State
Business Programs Division**

Statement of Information, P.O. Box 944230, Sacramento, CA 94244-2300

A. Incorporation

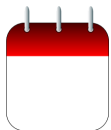
- **Initial Filing** – Every California corporation is created by filing “articles of incorporation” with the Secretary of State. This short document states the name, type of corporation, and nonprofit purpose of the corporation.
- **Amendments** – If any information in the articles should change, the corporation must file an amendment or restatement. The most common changes would be a name change or a change to the statement of purpose.



Calendar: It may be prudent to review the articles annually, perhaps at the time of the annual meeting, to check for possible need for amendment.

B. Statement of Information

- **Purpose** – The Statement of Information (Form SI-100) is used to keep current the most basic contact information about a nonprofit corporation – address, principal officers, agent for service of process.
- **Timing**
 - The SI-100 *must* be filed biennially
 - The SI-100 *should* be filed whenever address, officers or agent for service of process change.



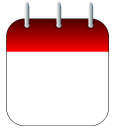
Calendar: Scheduled annual filings will ensure that current remains current. The filing is due within 90 days of the anniversary of incorporation.

Part 2: Recurring Legal Requirements

This is a partial list of recurring corporate actions required by law that do not involve regulatory filings:

A. Annual Members' and Board Meetings

- California law does not require annual members' meetings, unless they are required by the corporation's bylaws.
- Most mutual benefit corporations have bylaws requiring annual members' meetings and specifying the time for the meetings.
- Similarly, the bylaws may require an annual board meeting for the appointment of officers and other business.



Calendar: Schedule the members' meeting and/or board meeting per the requirements of your bylaws.

B. Annual Report to Members

- A mutual benefit corporation must prepare an annual report not later than 120 days after the close of the corporation's fiscal years. The corporation must notify its members of their right to receive a financial report concerning the corporation if the member requests it. On the written request of a member, the board of directors of a mutual benefit corporation must promptly cause the most recent annual report of the corporation to be sent to that member. This requirement does not, however, apply to a corporation which receives less than \$10,000 in gross revenues or receipts during the fiscal year.
- The annual report must contain:
 - (1) A balance sheet as of the end of the fiscal year for which the report is prepared and an income statement and statement of cashflows for that fiscal year.
 - (2) A statement of the place where the names and addresses of the current members may be found.

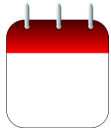
(3) Information as to “covered transactions” and indemnification.



Calendar: Schedule the members’ report within 120 days of the close of the fiscal year.

C. Annual E-Notice and Conflicts Forms

- California law generally prohibits corporate notices or consents by email unless every party using or receiving email for this purpose has delivered a written consent to the use of email. It is prudent to have your board members annually sign/renew this consent form, because people often change email addresses.
- The IRS asks (in Form 990) whether your board members annually acknowledge your Conflicts of Interest policy and their obligation to comply.



Calendar: Schedule these items for routine review, signature and delivery at the time of the annual meeting, and file them with the corporate records.



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State of California Secretary of State

Statement of Information

(Domestic Nonprofit, Credit Union and Consumer Cooperative Corporations)

Filing Fee: \$20.00. If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME

2. CALIFORNIA CORPORATE NUMBER

This Space for Filing Use Only

Complete Principal Office Address (Do not abbreviate the name of the city. Item 3 cannot be a P.O. Box.)

3. STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
		CA	

4. MAILING ADDRESS OF THE CORPORATION	CITY	STATE	ZIP CODE
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Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

5. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
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6. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
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7. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
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Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 9 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 9 must be left blank.

8. NAME OF AGENT FOR SERVICE OF PROCESS [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.]

9. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
		CA	

Common Interest Developments

10. Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, (California Civil Code section 4000, et seq.) or under the Commercial and Industrial Common Interest Development Act, (California Civil Code section 6500, et seq.). The corporation must file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code sections 5405(a) and 6760(a). Please see instructions on the reverse side of this form.

11. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

DATE	TYPE/PRINT NAME OF PERSON COMPLETING FORM	TITLE	SIGNATURE
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SB RIDERS FOR VETERANS FOUNDATION (SBRV)
CONSENT TO ELECTRONIC TRANSMISSION FORM

As a Director on the Board of Directors of SBRV, you must provide written consent in order to receive official communications from, and to send official communications to, SBRV via electronic transmission (fax or email). This is in accordance with California State law for nonprofits. SBRV is a nonprofit organization incorporated in California. This consent form will allow SBRV to send you meeting notices and proposed actions and handle other official business that requires board approval, by electronic transmission (i.e. fax or email). It also allows you to send the same types of information to SBRV via fax or email. Before signing this consent form, please review and be aware of the following:

1. You are not required to sign this form. You may request that notices and other matters of official business be sent to you via regular mail.
2. You have the right to withdraw your written consent at any time after signing this form by providing SBRV with written notice that you are withdrawing your consent relative to electronic transmission.
3. This consent to electronic transmission is broad, and may include transmission of meeting notices, proposed actions and other important information regarding SBRV. It also allows SBRV to conduct meetings via electronic transmission, although that will not be a frequent occurrence. This consent form represents consent under both California Corporations Code 20 and 21 (transmission from and to SBRV). This consent form also meets the requirements for consent under the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Sec. 7001(c)(1)).
4. Consenting to electronic transmission indicates that you are capable of sending and receiving emails and/or facsimiles and agree to present your current email address and/or fax number to SBRV, providing updates as changes occur.

The undersigned SBRV director has read and understands the foregoing, and hereby provides this unrevoked written consent to receive and send information, including but not necessarily limited to meeting notices, proposed actions and other information regarding SBRV, via electronic transmission (fax and/or email), until such time as this consent is revoked in writing. This consent also allows SBRV to conduct meetings via electronic transmission. You may choose both email and fax or just one of them below.

Signature: _____

Date: _____

Name: _____ (please print clearly)

*Email address: _____

*Fax number: _____

*Please indicate if you do not have access to (or do not want) this type of transmission.

Please respond by e-mailing or faxing a scanned copy with your signature, or mail or deliver the originally signed form to our corporate office.

SB RIDERS FOR VETERANS FOUNDATION (SBRV)
Directors' Acknowledgment of Conflict of Interest Policies and Procedures

I confirm that:

- I have reviewed and understand Section 7, "Conflict of Interest," in the Bylaws of SBRV.
- I will comply with the policies and procedures set forth in Section 7.
- If I have questions about compliance with these policies and procedures, I will raise them with the management of SBRV.

Signature: _____

Date:

Name: _____ (please print clearly)

Please respond by e-mailing or faxing a scanned copy with your signature, or mail or deliver the originally signed form to our corporate office.