



A Description of Nonprofit Legal Framework

By Brad Caftel bcaftel@insightccd.org

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Nonprofit Corporations Sources of Law

	Federal	State	Entity
Legislative Law	US Constitution	California Constition	Articles of Incorporation
	Internal Revenue Code	California Nonprofit Public Benefit Corporation	Bylaws
Administrative Law	Treasury Department Regulations	California Administrative Code (Franchise Tax Board Regulations)	Corporate policies adopted by Board of Directors
	IRS Revenue Rulings	Attorney General Opinions	Board decisions as reflected in minutes of meetings
	IRS Private Letter Rulings		
Judicial Law	US Supreme Court	California Supreme Court	Due process hearing by Board/committee (member termination)
	Circuit Courts of Appeal	District Courts of Appeal	
	District Court	Superior Court	
	Tax Court	Municipal Court	
	Court of Claims		

Major Nonprofit State and Federal Regulator Agencies and Filings

Substantive Area	Federal Agency	State Agency
Corporate Status	IRS Form SS-4 (Employer ID#)	Secretary of Stat Statement by Domestic Nonprofit Corporation (bi-annual filing)
Tax-exempt status	IRS Form 1023 (for 501(c)(3)) IRS Form 1024 (other exemptions)	Franchise Tax Board Form 3500
Maintaining tax-exempt status	IRS Form 990 (annual return) with Schedule A (for 501(c)(3)) Form 990-T (unrelated income)	FTB Form 199 (annual return) Form 109 (unrelated income)
Supervision of charitable trusts	None	Attorney General's Office, Charitable Trusts Section Form RRF-1 (annual filing)
Employment	IRS Forms W-2 , W-4 (employees) Form 1099 (independent contractors) Form 941 (payroll taxes) Form 940 (unemployment) ((c)(3)'s exempt)	Employment Development Dept. Form DE-4, DE-6 (unemployment) Form DE542 (independent contractors)

2201 BROADWAY, SUITE 815, OAKLAND, CA 94612-3024 TEL: 510.251.2600 FAX: 510.251.0600 www.insightccd.org

Substantive Area	Federal Agency	State Agency
	Equal Employment Opportunity Practices Com.	
Sales Tax	None	State Board of Equalization County Tax Assessor
Property Tax	None	State Board of Equalization County Tax Assessor
Bulk mail permit	US Postal Service Form 3624 (Publication 417)	None
Lobbying/political activity	IRS Form 5768 (lobbying by (c)(3)) Federal Elections Commission	Fair Political Practices Commission County and Municipal agencies
Charitable solicitation and fundraising	IRS substantiation rules for donors IRS return benefit disclosure requirements	State Attorneys General Local District Attorneys County and Municipal agencies

Nonprofit Legal Universe

Nonprofit Organizations (nonprofit corporations, charitable trusts, unincorporated nonprofit associations, all established under state law)

Tax-Exempt Organizations (recognized by the IRS under Internal Revenue Code Sections 501(c), 527, 528, etc., and by the State of California)

Section 501(c)(3) Charities (for charitable, educational, scientific, etc. purposes; other tax-exemptions include 501(c)(4) social welfare, 501(c)(6) chamber of commerce and business league, 501(c)(7) social clubs)

Private Foundations

- Private Operating Foundations
- Non-operating (Grantmaking) Foundations

Public Charities

- Section 509(a)(1) Donation Supported
- Section 509(a)(2) Exempt Function Income Supported Section 509(a)(3) Supporting Organizations
- Churches, Hospitals, Schools