

AUXILIARY ORGANIZATION
CORPORATE FORMATION & ONGOING REPORTING CHECKLIST:

There are a host of actions/filings required to form, then properly maintain a nonprofit (public benefit), corporation, chartered under California law, exempt from taxation under federal and state laws, and recognized as an auxiliary organization operating within the California State University. This checklist frames the more common steps, actions and any applicable time schedules needed to establish the entity and keep it in good standing with the major regulatory and tax agencies. Specific requirements may vary. This checklist is not intended as legal or financial advice.

All auxiliary organizations are nonprofit public benefit corporations

FORMATION:

STEP	ACTION	DESCRIPTION	TIME REQUIREMENTS
1	Corporate Name	Clear & reserve name w/ Secretary of State	Early in formation process
2	Articles of Incorporation	Draft Articles of Incorporation; Name Incorporator(s)	Following consultation with legal counsel. Supporting document for Step 5
3	Open Meeting & Notice Requirements	Determine & incorporate into Bylaws or Board policy any Board Open Meeting & Notice Requirements	Prior to drafting Bylaws
4	Corporate Bylaws	Draft Corporate Bylaws for review & initial adoption by Incorporator(s)	As supporting document to Step 5
5	Conditional Approval for Auxiliary Organization	University President submits justified request to Chancellor to establish campus auxiliary organization. [Title 5 §42407]	Prior to filing Articles of Incorporation & Organizational Meeting
6	File Articles of Incorporation	Submit original Articles of Incorporation (+ 2 return copies) & fee w/ Secretary of State	After receiving Chancellor's conditional approval
7	Organizational Meeting Documents	Draft following for Organizational Meeting: 1. Appointment of initial directors, if directors are not named in Articles of Incorporation 2. Incorporator(s) Memo-Report to Board 3. Ratify Bylaws 4. Authorize further formation/operational steps	Following Steps 1 through 6
8	Federal ID Number	Apply for & obtain federal Employer Identification Number (EIN) (Form SS-4)	After Board Organizational Meeting
9	Federal Tax Exemption	Apply for & obtain Federal tax exemption (IRS Form 1023)	Following Board Organizational Meeting

STEP	ACTION	DESCRIPTION	TIME REQUIREMENTS
10	State Tax Exemption	Apply for & obtain State tax exemption (FTB Form 3500A)	After obtaining IRS exempt status determination letter
11	Initial Statement of Information	File Statement of Information - Nonprofit Corporation with Secretary of State (Form SI-100)	Within 90 days of filing of Articles of Incorporation
12	Operating Agreement (& Support Service Lease, if appropriate).	Draft, circulate, sign & submit via University to Chancellor instruments (in model form) + include "Accumulation & Use of PR Funds" and "Nondiscrimination & Affirmative Action" policy statements	As authorized by Board at Organizational Meeting – Step 7
13	Charitable Organization Registration	Register corporation as charity in any required states including California where donations to be solicited, either by mail, electronic mail, or telephone (Form CT-1 to CA Registry of Charitable Trusts)	For CA: Within 30 days of receipt of charitable assets
14	Final Approval as Auxiliary Organization	University Presidents submits letter to Chancellor requesting final approval. Include: certified Articles of Incorporation, Bylaws, exempt determination letter, AG registration letter, signed operating agreement w/ attachments (see Step 12)	After responses to Steps 9, 10 and 13
15	Property Tax Exemption(s)	Apply for & obtain any property tax exemptions for qualified real or personal property	Filing deadlines vary
16	Other Permits, Licenses	Seek & obtain other licenses & permits as necessary from state & local agencies to perform specific services or acts of business	Generally sought & obtained prior to activity
17	Nonprofit Mailing Permit(s)	Apply to USPS & obtain nonprofit mailing permit(s) as needed	Generally several months before posting needs
18	Corporate Files Repository	Establish through the corporate secretary a centralized system for corporate records and key documents	Following Board Organizational Meeting – Step 7
19	Official Board Minutes Book & Corporate Seal	Order Board Minute Book & Corporate Seal [Optional]	Following Board Organizational Meeting – Step 7

ONGOING SIGNIFICANT REPORTING REQUIREMENTS:

STEP	ACTION	DESCRIPTION	TIME REQUIREMENTS
1	Registration/Renewal Report – Charitable Organization	File annual Charitable Organization Registration/Renewal Report with CA Registry of Charitable Trusts (Form RRF-1) + Form 990 copy	By 15 th day of 4 th month following close of fiscal or calendar year
2	Statement of Information – Nonprofit Corporation	File biennial Statement of Information with Secretary of State (Form SI-100) [And anytime service agent changes]	Every other year in 6 month period before Initial Articles anniversary
3	Federal Tax Report	Prepare & file Annual Federal Tax Return(s) (IRS Forms 990 & 990T if applicable)	By 15 th day of 5 th month following close of tax year
4	California Tax Report	Prepare & file Annual State Tax Return(s) (Form FTB 199)	Same as above
5	Property Tax Exemption(s)	File annual property tax exemption claim(s)	Deadlines vary depending upon exemption class
6	Charitable Organization Governance & Financial Standards	Annual independent audit; Board audit committee; executive compensation reviews & approvals; written agreements with commercial fundraisers/fundraising counsel; solicitation standards [Exceptions & limitations may apply]	See “Nonprofit Integrity Act of 2004” (Gov’t Code § 12580 <i>et seq.</i>)
7	Employer Taxes & Withholding Reports	Withhold & Deposit Federal/State Income Taxes; File Withholding Allowance Certificate(s); EDD Registration; File various reports	Deposit & report deadlines vary
8	Risk Management	General Liability; D&O; Workers Comp Insurance Coverage [through AORMA]	Join by Board resolution; renew annually
9	Banking	Establish & periodically review appropriate banking accounts & related relationships	Following Board Organizational Meeting & on set timeframe
10	License & Permit Renewals	Review & renew federal, state & local licenses/permits as required	Renewal dates vary
11	Renew Operating Agreement (& Support Service Leases if appropriate)	Review existing documents; draft; circulate; Board approval; sign & process through University for submission to Chancellor’s Office [include current PR Funds and Nondiscrimination/AA policies]	Schedule renewal review/processing dates to permit timely action

STEP	ACTION	DESCRIPTION	TIME REQUIREMENTS
12	Amended (or Restated) Articles of Incorporation	Changes in organization or law may require Articles of Incorporation to be amended or restated	Reviewed by University; approved by Board; filed with CA Secretary of State; certified copy filed with Chancellor's Office; Attach to next IRS Form 990 and RRF-1 filings
13	Amended Bylaws	Changes in law, organization structure or governance may require amending the Bylaws	Reviewed by University, approved by Board (& membership, if any); certified copy filed with Chancellor's Office
14	Annual Audit; Annual Report	Prepared by independent accountancy firm; reviewed by audit committee; accepted by Board; published on campus; sent to CO. [See CSU GAAP Reporting Manual]	Education Code §89900(a); Corporations Code §6321; [by September 28]

Reg//2015