

CAHF CHAPTERS DOCUMENT AND CORPORATE FILING REQUIREMENTS

As of January 1, 2005, California has instituted the **Nonprofit Integrity Act of 2005**. Much like the Sarbanes-Oxley Act in the for profit sector, this new law (SB 1262 – Sher, Chapter 919, Stats of 2004) seeks to improve nonprofit governance, limit abuses of compensation and prevent commercial fundraising abuses.

CAHF chapters are local associations of members with Articles of Incorporation and Bylaws. Chapters are defined as domestic non-profits and are required to maintain their corporate status through yearly filings outlined below:

1. California Secretary of State

Form SI-100 (Statement of Information)

Due date: Biennially before the end of the calendar month during which the original Articles of Incorporation were filed: Information: Secretary of State (916) 657-5448
www.ss.ca.gov

2. California Franchise Tax Board

Form: 199

Due date: 4 ½ months after the end of the fiscal year. Information FTB: (916) 845-4171
www.ftb.ca.gov

3. Internal Revenue Service

Form: Annual Return Form 990

Due date: 4 ½ months after end of fiscal year. Information (800) 829-1040
www.irs.gov/charities

RETENTION OF CHAPTER RECORDS

It is important to have a chapter board implement a document retention policy as reported in the annual 990 filing and mandated under the Sarbanes-Oxely Act. This policy should include (1) identifying what types of paperwork (and electronic files e-mails) the chapter generates relative to chapter/board activities/transactions (2) determining the appropriate (and legal) length of time to retain them; and (3) recording those retention times on a written schedule.

At a minimum, the following documents and business records of chapters must be retained permanently. These include:

- Articles of Incorporation
- Bylaws and subsequent amendments
- Determination of exempt letter from the IRS and FTB
- Insurance policies
- Minutes of board minutes
- Treasurer reports/minutes
- Actions/motions/resolutions resulting in the expenditure of chapter funds

The reason the retention schedule and policy is important is that in the event of an IRS or FTB audit occurs, they can effectively request records going back beyond the normal 3 year “look behind” period.

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