

# The Law Office of William A. Taylor

## RESPONSIBILITIES OF NONPROFIT DIRECTORS

### A. Federal Exempt Status

- Exempt Status Letter
- Electronic Post Card or File 990 past three years  
( [www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations--Form-990-N-\(e-Postcard\)](http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations--Form-990-N-(e-Postcard)) ) – PRESS THE BUTTON)
- Payroll Tax Liability

### B. State Status

- Secretary of State - Articles of Incorporation + Certificate of Good Standing  
([kepler.sos.ca.gov](http://kepler.sos.ca.gov))

### C. Statement of Information

- Franchise Tax Board - Exempt Status Letter  
- File annual tax return
- Dept. of Justice – Registry of Charitable Trusts – Register and File Annually  
(<http://rct.doj.ca.gov/MyLicenseVerification/Search.aspx?facility=Y>)

### D. Articles of Incorporation (filed with Secretary of State)

### E. Bylaws (not filed with anyone)

- # of Directors
- Terms of Office
- Election of Directors

### F. Board Standards of Conduct

- Duty of Care
  - i. Reasonable
  - ii. Business Judgment Rule
  - iii. Collective Action Only
- Duty of Loyalty
  - i. Conflict of Interest
  - ii. Corporate Opportunity Rule
  - iii. Confidentiality
- Duty of Obedience
  - i. Stick to the Corporate Mission/Purpose

### G. Director Liability

- **Except Payroll Taxes** there should be none
- Board (and officer) Insurance
- No liability for Corporate Debts
- No liability for Corporate Acts (**except Payroll Taxes** or if no reasonable oversight)
- Dissent by a director