

BILL JONES
CALIFORNIA SECRETARY OF STATE

BUSINESS PROGRAMS DIVISION

"In California, the Secretary of State Means Business"



VOLUNTARY DISSOLUTION OF CALIFORNIA NONPROFIT CORPORATIONS

The voluntary dissolution of California nonprofit corporations is initiated by an election to dissolve. The election to dissolve may be made by the vote or written consent of a majority of all the members of the corporation. If there are no members, the election may be made by the board of directors. Following the election, a Certificate of Election to Wind Up and Dissolve must be prepared and filed with this office. A Certificate of Dissolution must then be prepared and filed in this office. If circumstances permit, both the election and the dissolution may be filed at the same time, but must be submitted as separate documents.

Samples meeting statutory requirements for most filings are attached. Each sample may be used as a guide when preparing documents, making modifications as necessary to meet the specific needs of the dissolving corporation.

THE VOLUNTARY DISSOLUTION OF CALIFORNIA NONPROFIT CORPORATIONS HOLDING CHARITABLE ASSETS INVOLVES THREE AGENCIES: THE SECRETARY OF STATE, THE FRANCHISE TAX BOARD AND THE ATTORNEY GENERAL. If a nonprofit corporation, organized for charitable purposes (tax exempt under Revenue and Taxation Code Section 2370(d)) or holding assets under charitable trust holds any assets at the time of dissolution, the distribution of those assets must be approved by the Attorney General. See Corporations Code Sections 6716, 8716 and 9680.

Before the Certificate of Dissolution may be filed, a Tax Clearance Certificate **MUST** be requested, and have been issued, from the Franchise Tax Board, Tax Clearance Unit, Sacramento, California. The Certificate of Dissolution must be received in, and filed by, the Office of the Secretary of State on or before the expiration date shown on the tax clearance.

IMPORTANT!

Those corporations wishing to formally dissolve, **MUST** file dissolution documents in the Office of the Secretary of State. The mailing of those documents to another agency, state or federal, does not meet the statutory filing requirements. For proof of submittal of proposed dissolution documents, it is recommended that, if mailed, they be sent by certified mail with Return Receipt Requested, however, acknowledgment is sent from the Secretary of State within 21 days of receipt of any dissolution document. To ensure a fair distribution of documents received, processing is done in chronological order.

THERE IS NO FEE FOR FILING EITHER A CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE OR FOR FILING A CERTIFICATE OF DISSOLUTION. The Secretary of State will certify two copies of the filed dissolution document, without charge, **provided that the copies are submitted to the Secretary of State with the originals to be filed.** Any additional copies submitted with the original, are certified upon request and the prepayment of \$8.00 per copy.

NOTE: A \$15.00 special handling fee is applicable for expediting processing of documents delivered in person, over the counter, to the Sacramento office. The \$15.00 special handling fee must be remitted by separate check as it will be **RETAINED WHETHER THE DOCUMENTS ARE FILED OR REJECTED.**

Dissolution documents are not filed in branch offices, they must be mailed, or hand delivered for over the counter processing, to the Sacramento headquarters office:

Business Filings
1500 Eleventh Street
Sacramento, CA 95814
Attention: Document Filing Support Unit
(916) 657-5448

INSTRUCTIONS

To prepare certificates to dissolve a corporation, type documents with wording set out in the samples, completing the document based on the following instructions. The Certificate of Election to Wind Up and Dissolve and the Certificate of Dissolution are separate documents and are not to be combined. **DO NOT TYPE ON THE REVERSE SIDE OF THE PAGE**, samples have been printed that way to conserve paper.

The **Certificate of Election to Wind Up and Dissolve** is most often made by the president and secretary of the corporation and for that reason the sample has been formatted using these officers. If the documents will be signed by persons other than the president and secretary, or if the sample does not adequately cover the needs of the dissolving corporation, documents must be prepared with modifications to meet the specific requirements of the corporation.

Paragraph 1 - is completed with the name of the corporation **exactly** as the name is of record with the Secretary of State

Paragraph 2 - is a statement mandated by statute.

Paragraph 3 - must include a statement identifying the body electing to dissolve the corporation. If the election was made by the vote of the members, the number of members voting must also be completed. **DO NOT** include more than one #3 paragraph when preparing a document, use **ONLY** the applicable statement.

The certificate must be dated and must be signed by the president and secretary. The person's name and title should be typed directly below the signature.

The **Certificate of Dissolution** must be made by the majority of directors in office. The sample provides space for the signature of three persons. As with the Certificate of Election to Wind Up and Dissolve, the sample may be modified to meet the specific needs of the corporation.

Paragraph 1 - is completed with the name of the corporation **exactly** as the name is of record with the Secretary of State.

Paragraph 2 - is a statement mandated by statute.

Paragraph 3 - must include a statement as to the known debts and liabilities of the corporation. If the debts and liabilities are being assumed, the name and address of the person assuming the debts and liabilities must be included as part of this paragraph. **DO NOT** include more than one #3 paragraph when preparing a document, use **ONLY** the applicable statement.

Paragraph 4 - must include a statement as to the assets of the corporation. **DO NOT** include both #4 paragraphs when preparing a document, use **ONLY** the applicable statement.

Paragraph 5 - is a statement mandated by statute.

The certificate must be dated and must be signed by a majority of directors in office. The person's name and title should be typed directly below the signature.

CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE

The undersigned certify that:

1. They are the **president** and the **secretary**, respectively, of (NAME OF CORPORATION) , a California corporation.
2. The corporation has elected to wind up and dissolve.
3. The election was made by the vote of _____ members of the corporation, constituting a majority of all members.

NOTE: Use
only one of the
#3 paragraphs!
DO NOT USE
ALL THREE
STATEMENTS

OR

3. The election was made by the board of directors together with the vote of a majority of the members voting on the election to dissolve.

OR

3. The corporation has no members, the election was made by the board of directors of the corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

(Signature of President)

(Typed Name of President), President

(Signature of Secretary)

(Typed Name of Secretary), Secretary

CERTIFICATE OF DISSOLUTION

The undersigned certify that:

1. They constitute a majority of the directors now in office of (NAME OF CORPORATION), a California Corporation.
2. The corporation has been completely wound up.
3. The corporation's known debts and liabilities have been actually paid.

OR

3. The corporation's known debts and liabilities have been adequately provided for by their assumption by (TYPE NAME AND STREET ADDRESS OF PERSON OR CORPORATION ASSUMING PAYMENT OF THE KNOWN DEBTS AND LIABILITIES).

OR

3. The corporation never incurred any known debts or liabilities.
4. The known assets have been distributed to the persons entitled thereto.

OR

4. The corporation never acquired any known assets.
5. The corporation is dissolved.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

(Signature of Director)

(Typed Name of Director), Director

(Signature of Director)

(Typed Name of Director), Director

(Signature of Director)

(Typed Name of Director), Director

NOTE: Use only one of the #3 paragraphs! DO NOT USE ALL THREE STATEMENTS.

NOTE: Use only one of the #4 statements! DO NOT USE BOTH STATEMENTS.