



**State Leaders Orientation
Des Plaines, December 9, 2007
State Filing Requirements**

State Councils have state filing requirements in addition to the federal requirements. We cannot give advice about the specific requirements of each state, but we can provide the following general information:

1. To retain the State Council's corporate status

Incorporation is a state function. There is no more important state requirement than maintaining your corporate status in good standing. Having a corporate shell is what protects state leaders from personal liability should there be a claim against the Council.

In most states, corporations must file a report in order to remain in good standing. In some states, such as Illinois, the report must be filed annually. Other states may have biennial filing requirements. In Illinois the report is one page and must be filed with the Secretary of State. There is a \$5 filing fee. In other states, the state official may have a different name, but the process is the same: the report is usually only a page or two, there is a minimal filing fee and the report must be filed periodically.

Failure to file the report timely can lead to loss of good standing status and eventual dissolution of your corporation.

2. To file annual information return

Many states regulate public charities such as 501(c)(3) nonprofit organizations. The public charities office is not necessarily the same office that has the corporate report filing requirement. For example, as we have stated, in Illinois the Secretary of State regulates corporations. However, it is the Office of the Illinois Attorney General that regulates charities.

Often the public charities office requires 501(c)(3) organizations to file a state form 990 or similar report if the organization is required to file a federal Form 990. There may be an audit requirement as well for larger organizations. Even small organizations who do not file a federal Form 990 may have state filing requirements.

As soon as national ENA confirms that you have been added to ENA's 501(c) (3) group exemption, we recommend that, you call your state government offices or review information on their Web site to determine what requirements may apply to your Council. This is an area for which a local CPA firm can be very helpful.

3. To file sales tax return

If your State Council sells items such as sweatshirts, magnets, pins, or other similar merchandise, it may be subject to state sales tax filing requirements. This is another example of how a local CPA firm can be helpful in determining your liability and meeting filing deadlines.