

# Guide for Charity Notations from Attorney General

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Every corporation must have directors and officers. Legally, a public benefit corporation (defined in Chapter 1) may operate with only one director. However, most charities operate with three or more directors, which is strongly recommended. In addition to directors, every public benefit corporation is required to have a president, a chief financial officer and a secretary. Additional officers may be appointed. The powers, duties, and liabilities of directors and officers of public benefit corporations are governed by California statutes. Directors are required to discharge their duties consistent with a fiduciary obligation to the charity. (Corporations Code section 5000 et seq.)

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Every nonprofit public benefit corporation must have at least three officers: a president (or chairman of the board), secretary, and a chief financial officer. The officers are usually appointed by the directors. Officers' responsibilities are spelled out in the corporation's bylaws. Their duties usually include maintaining books of account, responsibility for deposits and disbursements, keeping minute books, giving required notices, and such other duties as the directors prescribe.

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California law requires that directors of public benefit corporations either give written notice to, or obtain consent from, the Attorney General before taking certain actions that will have a significant impact on the corporation and its assets.

A public benefit corporation must give advance written notice to the Attorney General before the corporation engages in a voluntary dissolution, a merger, or a sale or transfer of all or substantially all of the corporation's assets.

The charitable corporation may not dispose of its assets upon dissolution without either the advance written consent of the Attorney General or the approval of the court. The certificate of dissolution filed with the Secretary of State must have attached to it a certificate of the Attorney General either waiving objections to the proposed distribution of the corporation's assets or confirming that the corporation has no assets. (Corporations Code section 6615.)

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The following chart cites the applicable statutes and the procedures to be followed for notice to or consent by the Attorney General. 1. VOLUNTARY DISSOLUTION (30 days, prior notice or waiver of notice by the Attorney General) Public Benefit Corporation (Corporations Code sections 6615 and 6716.)