

Cooperating Associations Program Manual

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State of California The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
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This document is based on the recommendations of the Director's Cooperating Associations Task Force.

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TABLE OF CONTENTS

SECTION ONE	INTRODUCTION
Cooperating Associations Program Mission and Objectives.....	One - 1
The Cooperating Associations Program Manual (CAPM).....	One - 2
Cooperating Associations Program Fact Sheet	One - 5
Cooperating Associations Program	One - 6
SECTION TWO	DIRECTIVES
DPR's Legal Authorities	Two - 1
Statutes Governing Nonprofit Corporations	Two - 3
Regulatory Agencies Governing Nonprofit Corporations	Two - 4
Authorization To Enter Into A Contract With A Nonprofit Corporation	Two - 8
Contracted Use Of State-Owned Facilities	Two - 10
DPR Insurance Requirements	Two - 12
Public Resources Code (PRC) Section 5010.1 Considerations.....	Two - 14
Memorandum Of Understanding (MOU) Outline	Two - 16
Conflict Resolution Process Guidelines	Two - 19
SECTION THREE	OPERATIONS
DPR Program Administrators	Three - 1
Association Program Administrators Guidelines	Three - 3
Volunteers Acting As Staff To An Association	Three - 4
Administrative Operations Summary	Three - 6
DPR Annual Report Content.....	Three - 13
Nonprofit Tax-Exempt Status.....	Three - 15

TABLE OF CONTENTS

SECTION FOUR	SALES, GIFTS' AND LOANS
Sales And Merchandising On State Property	Four - 1
Sales And Unrelated Business Income	Four - 4
Merchandising Methods Guidelines	Four - 5
Visitor Convenience Sales	Four - 6
Publications Guidelines	Four - 8
Gifts and Loans	Four - 10
Form: Conditions For The Loan Of Personal Property	Four - 13
Form: Gift Or Loan Of Personal Property	Four - 14

SECTION FIVE	DOCUMENTATION EXAMPLES
Contract	Five - 1
Memorandum Of Understanding	Five - 2
Articles Of Incorporation (Sample).....	Five - 8
(Sample) Bylaws.....	Five - 9
Records Checklist Guidelines	Five - 21
DPR Budget Request Guidelines	Five - 23
Form: Part One Budget Request	Five - 24
Form: Part Two Budget Request	Five - 25
Form: Cooperating Association Funding Request	Five - 26
Form: Cooperating Association Payment Voucher	Five - 27

SECTION SIX	RESOURCES
Nonprofit Assistance Organizations.....	Six - 1
Nonprofit References.....	Six - 4

SECTION ONE - INTRODUCTION

COOPERATING ASSOCIATIONS PROGRAM MISSION AND OBJECTIVES

Mission

The mission of cooperating associations is to further the educational and interpretive activities of the State Department of Parks and Recreation.

Objectives

To aid the State of California in conserving and interpreting the units of the State Department of Parks and Recreation for the benefit of the public.

To sponsor, publish, purchase, and distribute or sell appropriate maps and literature, illustrative materials, and other items which increase visitor understanding and appreciation of State Park System values and purposes.

To acquire materials, equipment, and other items for use in the educational and interpretive programs of the parks.

To sponsor, support, and assist docent programs, environmental educational activities, resource management projects in support of such programs, seminars, and lectures and other activities that contribute to the educational and interpretive programs of the parks.

To plan, organize, and implement fundraising programs to acquire contributions to support the interpretive and educational activities of the parks.

To assist in establishment of similar cooperating associations in the State Department of Parks and Recreation.

SECTION ONE - INTRODUCTION

THE COOPERATING ASSOCIATIONS PROGRAM MANUAL (CAPM)

The CAPM deals with policy and guidelines relating to cooperating associations, i.e., non-profit corporations having contractual agreements with the State Department of Parks and Recreation. The purpose of the CAPM is to provide information and guidance to department personnel through a detailed program description and related rules, regulations, and procedures that apply to it. Program operation guidelines are included to help associations and park personnel plan, implement, and operate a successful program.

Periodic review of the program will ensure compliance with state and federal regulations relating to non-profit corporations, and ensure that program activities are consistent with the department's mission. The major concerns to be addressed by periodic review of this program include:

Ongoing appraisal of department policy as it affects management of these programs.

Mechanisms to ensure that program management is consistent with policies specified in the department's Administrative Manual (DAM) and Operations Manual (DOM).

Compliance with state and federal requirements.

In this manual, all sections are official department policy, except for sections identified as "guidelines."

The CAPM is a dynamic document, and will change as the Cooperating Association Program evolves. After this document has been in use for one year, we will again request department staff and cooperating association comments and suggestions. With this in mind, the following form is provided for your convenience.

SECTION ONE - INTRODUCTION

Cooperating Associations Program Manual Review

Name of Reviewer

<u>Section</u>	<u>Page</u>	<u>Comments</u>

<u>Section</u>	<u>Page</u>	<u>Comments</u>

<u>Section</u>	<u>Page</u>	<u>Comments</u>

PLEASE PHOTOCOPY EXTRA COMMENT SHEETS AS NEEDED

SECTION ONE - INTRODUCTION

COOPERATING ASSOCIATIONS PROGRAM FACT SHEET

Cooperating Associations are public benefit non-profit corporations under contract to the State Department of Parks and Recreation. They are formed to support and further the department's interpretive and educational services to park visitors. The associations accomplish this by sponsoring, publishing, purchasing, distributing, or selling appropriate items which increase visitor understanding and appreciation of State Park System values and purposes. They may also receive funds from donations, membership dues, admissions to special events, and other park-related activities.

There are eighty-four non-profit corporations in the department's program.

Through the efforts of these associations, nearly four million dollars are raised annually.

The associations collectively have a membership in excess of 20,000. Six-thousand association members annually provide 450,000 hours of volunteer service to the department as non-paid state employees.

Volunteer service contributed by association members, in interpretation, represents the equivalent of 250 full-time staff positions providing services to visitors of the State Park System. This represents a net savings to the department in personnel services of about five million dollars annually.

The Cooperating Association Program represent a nine-million-dollar value to the department through the funds raised and volunteer services provided by the membership.

Total volunteer activities in the state parks, (i.e., The Cooperating Association Program, Scouting, Camp Host, mounted assistance units, Trail Days, beach clean-up days, etc.), represents an annual value in excess of ten million dollars.

The people of California are indebted to cooperating associations and their memberships. Without their support over the last twenty years, the State Department of Parks and Recreation would not have been able to provide the level of service which visitors to the State Park System have grown to expect. The department is truly appreciative of the support and assistance received in furthering its interpretive goals.

SECTION ONE - INTRODUCTION

COOPERATING ASSOCIATIONS PROGRAM

Background

The California State Parks Cooperating Associations Program began in 1971. The first associations officially established were at Anza-Borrego Desert State Park, the Santa Cruz Mountains Area State Parks, and Bidwell Mansion State Historic Park. The department's program is partly founded on the National Park Service (NPS) model which established the Yosemite Natural History Association in the 1920s, and Public Law 633, enacted by the US Congress in 1946 -- however, there were significant differences. Our program also included elements of a separate NPS program, the Volunteers in Parks Program. The NPS never intermingled volunteers with associations. In our program, volunteers, in most cases, were also members of an association.

The California State Parks Cooperating Associations Program was designed originally to support and further the department's interpretive and educational activities. Another primary objective was to raise funds for the State Park System. At the time, there was no intention to have cooperating associations carry out interpretive programs or coordinate volunteers.

Since that time, however, many cooperating associations have established interpretive programs which, in some cases, have become the principal activity of the associations. Interpretive program development and management is at the very heart of many association activities. As the time available to park staff for interpretive activities and volunteer coordination is severely limited, they've grown to depend on the association's members to perform many of these functions. Associations have recruited and trained docents, and staffed visitor centers and historic sites. In many instances when docents are not present, the sites are generally not open to the public. The docents conduct tours, facilitate visits to the park unit by school groups, the elderly, and the physically challenged. The volume of association work has grown to the point where some associations found it necessary to hire part or full-time staff to coordinate these activities. As a result, some confusion arose as to who was responsible for coordinating volunteers and interpretive programs.

Cooperating Association Task Force (CATF)

A Cooperating Association Task Force (CATF) was formed to conduct a review and offer recommendations for program improvement. It was also charged with clarifying the appropriate roles and responsibilities of the department, the cooperating associations, and the volunteers. This manual is a result of the task force's efforts.

SECTION ONE - INTRODUCTION

Role Of Nonprofit Corporations

While it is understood that the cooperating associations are volunteer organizations, in that they have voluntary boards of directors, and that the members are volunteers, the structural relationship between the department and the associations is that of a state agency and a nonprofit corporation. By definition, cooperating associations are non-profit public benefit corporations established to aid the interpretive and educational activities of the park system units which they have been designated to serve. Within this definition, the role of these nonprofit corporations is to further the interpretive and educational programs of the department. In many instances, this has been broadly interpreted to mean coordination of volunteers involved in interpretive program presentation. This was never the intent of the program. The intent was to raise money to support educational and interpretive programs that the department, due to budgetary constraints, could not adequately fund.

Volunteer Coordination And Liability Protection

Since DPR must designate volunteers as non-paid employees and provide workers' compensation and tort liability protection, it is clearly the responsibility of the department to coordinate volunteer activities.

Members of cooperating associations are frequently also volunteers. It is important that the distinction between association sponsorship of programs and actual program delivery is understood both by cooperating associations and volunteers. Program development or management is the responsibility of the state. Ultimate responsibility for interpretive programs in a park rests with the district superintendent. Frequently, this responsibility will be handled through delegation to volunteers (non-paid state employees) who are also members of a cooperating association.

In order to provide liability and workers' compensation coverage to individual association members, it must be understood that when performing interpretive activities and related volunteer coordination, it must be accomplished in the context of non-paid state employees. This distinction is critical to protect the corporation and its board of directors from workers' compensation and tort liability exposure.

When a non-profit corporation hires paid employees, volunteer coordination may not be handled by those individuals while they are functioning as employees of the corporation. However, if these individuals are also volunteers to the state, the district superintendent may delegate coordination responsibilities to them as non-paid state employees. Technically the corporation is donating the services of its employees to the department. Such an arrangement is similar to a loaned executive program where corporations assign employees to provide assistance to other organizations.

Because association interpretive programs were not anticipated in the original planning, questions have arisen as to whether such activities are appropriate for the associations. If two important requirements are met, cooperating associations may continue to develop, coordinate, and administer interpretive programs.

SECTION ONE - INTRODUCTION

(1) It must be understood that the ultimate responsibility for approval of interpretive programs rests with DPR. Association interpretive programs are thus subject to review and approval by appropriate department personnel.

(2) It must be understood that association members, when participating in interpretive activities, are functioning as non-paid state employees. This is necessary to provide workers' compensation and tort liability protection to individuals, and to isolate the association from this risk.

Because the state is self-insured, the department can better provide this protection. The costs associated with this protection would be prohibitive, and also an unnecessary expense to an association.

Workers' Compensation coverage will be provided by the state (see Volunteers In Parks Program Manual for further details). In order for such coverage to be provided, a DPR 208, Volunteer Record and Service Agreement, with Form Std. 689, Oath of Allegiance, on the reverse side must be completed and approved prior to the effective date of coverage.

SECTION TWO - DIRECTIVES
DPR's LEGAL AUTHORITIES

The following statutes and regulatory authorities govern the relationship of the department to cooperating associations. There are other statutes and authorities which an association may become involved with.

*California State Park and Recreation Commission
Policy Number 26, Interpretation (Amended 3-11-77)*

"The Department of Parks and Recreation shall interpret the units of the State Park System. Information shall be presented objectively and in accordance with the highest standards of the profession.

A quality interpretive experience is essential to assure public understanding, appreciation, and concern for the environment. Programs shall be easily available, tailored to diverse human needs, and meaningfully structured. The interpretive programs will relate to the natural, cultural, and recreational resources of the park system.

In the planning, development, and implementation of interpretive programs in the units of the State Park System, the Department of Parks and Recreation shall identify and emphasize all interpretive values and features for each unit by requiring the preparation of both an "interpretive prospectus" and an "interpretive plan."

For each historical unit, all features and circumstances which make the unit important will be identified, and the primary period within which human activities or events were of the greatest significance will be established. Preservation and interpretation need not be restricted to that period but will be related to it in emphasis and action.

A continuous effort must be maintained to assure that all personnel of the Department of Parks and Recreation, including seasonal employees, are oriented and appropriately trained in the significant natural, cultural, and recreational values of the State Park System, and enthusiastically carry out the documented interpretive programs of the department."

Public Resources Code (PRC) Section 5003

"The department shall administer, protect, develop, and interpret the property under its jurisdiction for the use and enjoyment of the public. Except as provided in Section 18930 of the Health and Safety Code, the department may establish rules and regulations not inconsistent with law for the government and administration of the property under its jurisdiction. The department may expend all moneys of the department, from whatever source derived, for the care, protection, supervision, extension, and improvement of development of the property under its jurisdiction."

SECTION TWO - DIRECTIVES

Public Resources Code (PRC) 513

"The department, as a means of furthering the interpretive and educational functions of the State Park System, may enter into agreements to act cooperatively with such private nonprofit scientific or historical associations engaged in educational or interpretive work in the state park system units as the director may designate whereby the association would furnish educational or interpretive materials for sale and the department would provide the services of department personnel and space for the materials at state park system unit visitor information facilities. Subject to such rules and regulations as the director shall promulgate, all moneys received from the sale of publications or other materials provided by an association shall be returned to the association for use in the interpretive or educational programs of the state park system unit or units which the association has been designated to serve."

Public Resources Code (PRC) 5010.1

"(a) All fees, rents, and other returns for the use of any state park system area are the property of the state or the public agency operating a state park system area pursuant to an agreement entered into pursuant to Article 2 (commencing with Section 5080.30) of Chapter 1.2. However, whenever significant savings can be achieved by the department or operating public agency, the department or public agency may enter into a contract with a concessionaire, lessee, or other natural person, corporation, partnership, or association for the collection of fees, rents or other returns on behalf of the state or the public agency. The contract may provide for the retention of a portion of any fee, rent, or other return as reimbursement for the cost of collection.

(b) Whenever significant savings can be achieved, the department may enter into a contract with any natural person, corporation, partnership, or association for the operation of a reservation system for the state park system and for the collection of state park fees in connection therewith. The contract may provide for the retention of a portion of every fee or the imposition of a surcharge as reimbursement for the cost of providing that service."

SECTION TWO - DIRECTIVES
STATUTES GOVERNING NONPROFIT CORPORATIONS

The following summary descriptions are of the two primary statutes affecting a cooperating association's incorporation, business operations, and reporting requirements. There are other statutes which an association may become involved with.

California Corporations Code

Section 5110 et seq., The Nonprofit Public Benefit Corporation Law

These are the statutes that apply to nonprofit corporations, their directors and officers, and to charitable trusts and trustees. The statutes include corporation formation, periodic filing and reporting, business operations, changes in purpose or status, and disposition of assets. In addition, Section 5239 addresses the protection offered to directors and officers if they obtain liability insurance.

California Labor Code

Workers' Compensation, Division 4, Article 2, Employees

Section 3363.6. Persons performing voluntary services for private nonprofit organization.

- (a) Notwithstanding Sections 3351, 3352, and 3357, a person who performs voluntary service without pay for a private, nonprofit organization, as designated and authorized by the board of directors of the organization, shall, when the board of directors of the organization, in its sole discretion, so declares in writing and prior to the injury, be deemed an employee of the organization for purposes of this division while performing such service.
- (b) For purposes of this section, "voluntary service without pay" shall include the performance of services by a parent, without remuneration in cash, when rendered to a cooperative parent participation nursery school, if such service is required as a condition of participation in the organization.
- (c) For purposes of this section, "voluntary service without pay" shall include the performance of services by a person who receives no remuneration other than meals, transportation, lodging, or reimbursement for incidental expenses.

SECTION TWO - DIRECTIVES

REGULATORY AGENCIES GOVERNING NONPROFIT CORPORATIONS

The following summary descriptions are of the primary governing agencies that regulate the activities of cooperating associations in California. There are other agencies which an association may become involved with.

Internal Revenue Service

Exemption from federal income tax is basic to association operations. Such exemption is based on Section 501(c)(3) of the Internal Revenue Code. Application for tax-exempt status should be made, and annual reports filed.

Section 501(c)(3) of the code provides for exemption from federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 501(c)(3) - 1(d)(3) of the regulations defines the term "educational" as including instruction of the public on subjects useful to individuals and beneficial to the community.

By publishing and distributing educational materials that further the educational program of the State Department of Parks and Recreation, the organization is instructing the public on subjects useful to individuals and beneficial to the community. The organization's other activities of assisting the State Department of Parks and Recreation in carrying out its programs in the parks are charitable, since these activities are a means of advancing education and science.

Franchise Tax Board

In California, associations must collect and remit sales taxes. Property taxes also are applicable. The Cooperating Associations Liaison (CAL) and the association board should be knowledgeable of state and local requirements. If in doubt, it is wise to consult Franchise Tax Board officials and/or a tax attorney.

State authorities also generally require associations to report on their operations periodically. Ignorance of applicable tax laws (federal, state, and/or local) is no excuse for failing to make such reports, and could result in financial penalties.

State Compensation Insurance Fund Workers' Compensation Insurance

Paid employees of a cooperating association should be covered by workers' compensation insurance. Check with the local State Compensation Insurance Fund for requirements and names of carriers and rates. Also, refer to the Government Code, Article 2, Section 3363.6: "Persons performing voluntary services for private nonprofit organizations."

State Unemployment Insurance

Associations are required to pay into the State Unemployment Insurance Fund for each of their paid employees.

State Disability Insurance

Associations are required to pay into the State Disability Fund for each of their paid employees. These funds are collected by the state as part of payroll taxes.

Board of Equalization

California requires a license for retail sales irrespective of nonprofit status; generally, such licenses are to be displayed in some prominent location. Inspections are made periodically. Noncompliance with state sales tax laws can result in substantial fines. The State Board of Equalization is responsible for oversight of this program.

Attorney General (A.G.) Registry of Charitable Trusts

The Attorney General (A.G.) acts as the legal overseer of California charities. This office has the duty of protecting the interests of all public beneficiaries of charities in the state. The A.G. may conduct investigations and bring legal actions to protect the assets of California charities, and ensure that the assets are used for their intended charitable purposes.

California charities register and file annual financial reports with the A.G.'s Registry of Charitable Trusts. The A.G.'s office provides information and assistance to many individuals who serve as directors, officers, volunteers, fundraisers, accountants, and attorneys for charitable organizations.

Due to the dramatic growth in the number of charities operating in California, and the large increase in public requests for information, the A.G.'s office publishes a guide for charitable organizations: Attorney General's Guide for Charities, 1988. This is available on request from the A.G.'s office, and is also included in this manual.

Secretary of State

This agency is responsible for oversight of nonprofit organizations incorporating in California. Organizations submit proposed "articles of incorporation." If the articles satisfy the requirements of the corporations code, the Secretary of State will endorse the organization as a California public benefit corporation.

SECTION TWO - DIRECTIVES

State Department of Alcoholic Beverage Control (ABC)

This agency is responsible for oversight of sale and distribution of alcoholic beverages. In all cases involving sale of alcoholic beverages, the permittee must obtain a license to sell alcoholic beverages from the ABC before the scheduled event. The permittee must allow sufficient lead time for both the department and ABC procedures to be completed.

In general, sale of alcoholic beverages in State Park System units is a compatible activity. However, consideration is given to on-premises sale of beer and wine with bonafide meals, in conjunction with a special event.

For detailed discussion, see the department's Operating Manual (DOM) 1750.4 and Park and Recreation Commission Policy Number 28. For information on sale of alcoholic beverages at special events, refer to the instructions in DOM 1400.

Department of General Services (DGS)

Government Code Section 14615 vests in the Department of General Services general powers of supervision over matters concerning the financial and business policies of the state. The courts of this state place the responsibility with DGS to conserve the financial interests of the state, to prevent, so far as possible, any imprudent acts by the entities of the state.

In DGS, the Office of Legal Services conducts review, approval, and monitoring of state contracts, including those entered into by the state with nonprofit corporations (State Administrative Manual, Section 1200 et seq., Contracts). Generally, prior to recommending approval of a state contract, DGS review is guided by the evidence offered in support of these considerations:

That valid justification for entering into and executing an agreement exists;

That state law and policy have been properly and uniformly applied;

That the contract contains required authorizations and has received all necessary permission needed for final execution; and

That the interests of the state have been protected fully.

California State Park and Recreation Commission

The function of the commission and the State Department of Parks and Recreation is to acquire, protect, develop, and interpret for the inspiration, use, and enjoyment of the people of the state a balanced system of areas of outstanding scenic recreational and historic importance.

Public Resources Code Sections 535, 539, and 540 provide that the commission study recreation in California, and recommend a comprehensive recreational policy for the state. The commission reports on and recommends to the governor needed recreational and park facilities at the state and local level. It establishes general policies for the guidance of the director of parks and recreation in administration, protection, and development of the State Park System.

SECTION TWO - DIRECTIVES

Department of Parks and Recreation

To further the interpretive and educational functions of the State Park System, the department enters into agreements to act cooperatively with organizations engaged in educational or interpretive work in State Park System units. The department's Cooperating Associations Program Manual (CAPM) is the official policy of the department relative to this program. The CAPM and the contract regulate the activities of an association in conjunction with park operations.

SECTION TWO - DIRECTIVES
AUTHORIZATION TO ENTER INTO A CONTRACT
WITH A NONPROFIT CORPORATION

Public Resources Code (PRC) Section 513 is the enabling legislation permitting the department to enter into contracts with nonprofit corporations that exist to further: "...the interpretive and educational functions of the State Park System..."

PRC Section 513 defines the relationship and scope of activity between the department and the associations to further: "...the interpretive and educational functions of the State Park System..." PRC Section 513 is the focal point for the department and a cooperating association in evaluating their activities and relationship.

Contract

The contract signed by an association chair/president and the director of the State Department of Parks and Recreation defines the authorities and responsibilities of both parties. The Cooperating Associations Program Manual (CAPM) is official policy of the state, and is accepted as such by the association.

The association and the department will enter into a contract for all business operations in the park(s). The contract constitutes the entire agreement between the parties, and supersedes any and all prior oral or written agreements or understandings between them.

The association articles of incorporation, bylaws, and all other legal and business documents will comply with federal, state, and local requirements; current copies of such documents will be provided to the department. Association nonprofit status will be maintained in accordance with all applicable federal and state laws.

State Administrative Manual

The State Administrative Manual (SAM), Section 1200 et seq., Contracts, describes the general procedures to be followed before a state agency may enter into a contract. State Department of Parks and Recreation personnel who wish to enter into contracts with nonprofit corporations should be aware of these requirements, including those described in SAM, Section 1253, Corporate Qualification To Do Business In California, as follows:

1. In order to ensure that all obligations due the state are fulfilled, when contracts are to be performed in the state by corporations, the contracting agencies should obtain verification that the contractor is currently qualified to do business in California.

2. "Doing business" is defined in Revenue and Taxation Code Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.

SECTION TWO - DIRECTIVES

While there are some statutory exceptions to taxation, it will be a rare instance when a corporate contractor performing in the state will not be subject to the franchise tax.

3. Both domestic and foreign corporations (those incorporated outside California) must be in good standing in order to be qualified to do business in California. Whether a corporation is in good standing may be determined by calling the Office of the Secretary of State, and giving the corporate name in full.
4. Contracting and approving agencies may obtain assistance in evaluating a contractor's claim of exemption from the Franchise Tax Board. Inquiries should be directed to Corporation Audit.

SECTION TWO - DIRECTIVES

CONTRACTED USE OF STATE-OWNED FACILITIES

1. The department may provide facilities to be used or occupied by the association for the purpose of carrying out a contract's terms. These items should be negotiated in accordance with local needs.
2. All districts need to negotiate a provision for utilities and maintenance in accordance with local needs. The department may provide the association with incidental utility services at each assigned facility, including water, electricity, heat, air conditioning, and phone, as required for the operation. The department may provide the association all general maintenance and repair services for state-owned buildings.
3. The department will have emergency access to all facilities on state property, and will have the right to make inspections of all facilities as necessary.
4. On reasonable notice, the land or facilities in the park used or occupied by the association may be, from time to time, designated or redesignated by the department.
5. No construction, alteration, repair, reconstruction, restoration, or improvement may be made in the park by the association without first obtaining approval for any plans, specifications, and contracts from the department.
6. All improvements, alterations, and restored facilities constructed by an association on state property become the property of the State of California. The department will not be responsible for the cost of such improvements, alterations, and restorations. Title to all improvements will be vested in the state immediately on their becoming affixed to state real property. These items should be negotiated in accordance with local needs.
7. On state-owned property, the department will establish association business hours of operation (sales) and standards of service.
8. On state-owned property, the department will direct all interpretive activities conducted and/or sponsored by the association to meet department standards.

State Vehicles

1. State vehicles and equipment are for official use only.
2. Only DPR employees and authorized DPR volunteers are permitted to use state vehicles.
3. Association employees or association volunteers will not use state vehicles for association business.

DPR Safes

1. All association documents (articles of incorporation, bylaws, designation letter, IRS tax-exempt forms, etc.) must be accessible for inspection. Bank safety deposit boxes or association-owned safes are recommended.

SECTION TWO - DIRECTIVES

2. Adequate security is essential. Park safes are not to be used without the CAL's approval, and then only if the association documents and/or funds are in a separate and locked container.
3. A document signed by the CAL will grant permission and designate association or park personnel access to the safe. All attempts should be made to limit access to only those with absolute need. Special keys, limited distribution of combinations, sign-in/sign-out logs, and similar precautions will reduce potential problems.

SECTION TWO - DIRECTIVES

DPR INSURANCE REQUIREMENTS

Associations that contract with the State Department of Parks and Recreation are required to obtain comprehensive general liability insurance to cover association personnel.

General liability coverage will be consistent with the California Corporations Code, Section 5110 et seq., The Nonprofit Public Benefit Corporation Law, and the requirements of the State Administrative Manual (SAM), Section 1254, Insurance Requirements.

The department, under authority of SAM 1254.6, can require in its contracts the type of insurance it deems appropriate to protect the state's interests. The department requires the following association coverage:

An association with an annual budget (gross revenue) of less than \$50,000 is required to obtain general liability insurance coverage of \$500,000 minimum.

An association with an annual budget (gross revenue) of \$50,000 or more is required to obtain general liability coverage of \$1,000,000 minimum.

DPR Contract Insurance Requirement

The association will procure liability insurance as described in the Cooperating Association Manual.

The association will indemnify, save, hold harmless, and defend the State of California against all fines, claims, damages, losses, judgments, and expenses arising out of, or from, any omission or activity of the association, only in connection with its activities not co-sponsored by the department. The State of California, its officers, agents, employees, and servants are included as additional insured.

The association will furnish to the department a certificate of insurance stating that there is liability insurance currently in effect for the amounts specified above.

Important Issues For Associations To Consider

Associations cannot dissolve when faced with lawsuits to escape liability (if an association does dissolve, a plaintiff can sue the directors/officers).

One million dollars liability coverage is an established insurance industry standard.

SECTION TWO - DIRECTIVES

Premium costs will depend on risk as determined by insurance brokers' research, based on the activities of the association as a corporation.

Associations unable to carry the financial burden of this requirement will need to assess alternatives: pool resources with similar associations, or merge into an association that can meet this legal requirement. Since the state covers approved volunteer activities, insurance of the type required is very affordable.

The specifics of insurance and liability, as it affects an association, should be considered by each board of directors as permanent, constantly evolving issues requiring their full attention.

Optional Insurance Coverage To Consider

Guideline

Owned And/Or Non-Owned Automobile
Property Damage (against crime and/or fire)
Directors And Officers (Errors And Omissions)
(This should include wrongful termination coverage)
Miscellaneous Professional Liability
Product Liability

Prevention Is The Best Defense

Guideline

Prevention should be undertaken as a complement to (not in place of) adequate insurance coverage.

The insurance term for prevention is risk management. Risk management covers a variety of activities that can help reduce the association's exposure and insurance costs.

In general, avoid using personnel in high-risk assignments, provide adequate training and supervision for tasks, and maintain clear records of all activities.

Specifically, every association, at a minimum, should employ the following risk management strategies:

1. Regular inspection of all premises and properties for potential safety hazards of all types.
2. Training of directors and employees in proper safety practices.
3. Precise documentation of all accidents and their circumstances.
4. Swift reporting of all incidents potentially resulting in legal action to the association's insurance representative.
5. Thorough analysis of all such incidents in order to determine what changes might be made to prevent or reduce the risk of repeat occurrences.

SECTION TWO - DIRECTIVES

PUBLIC RESOURCES CODE (PRC) SECTION 5010.1 CONSIDERATIONS

The following is an outline for department staff and cooperating associations in use of the PRC Section 5010.1 option. These considerations examine the need for entering into an agreement (MOU) with a cooperating association for fee collection purposes.

Have all options been considered:

- Redirection of funds toward expanded entrance station operations.
- A budget submission [BCP = Budget Change Proposal] in attempt to obtain seasonal dollars for fee collection. Normal guidelines are a 4:1 ratio of expended costs to capture revenue.
- No increased collection of marginal return, i.e., dollars to capture revenue are equal or almost equal to dollars expended.

PRC Section 5010.1 is an available alternative only when all other options are not possible, and fee collection is imperative.

The state may not enter into an agreement allowing associations to collect fees if this agreement results in the association taking over operation of an established state park function.

Fee collection may not supplant state employees, only augment or expand operation beyond that possible with existing staff (i.e., before and after normal hours, at locations not now collecting, during "off-season" periods when collection personnel are not available).

Fee collection must show a net State Park and Recreation Fund [SPRF] gain over normal revenue collection to justify the program.

Fee collection should enhance park operations beyond revenue collection alone:

- Provide positive increased public contact.
- Potential for decreased vandalism by coverage increase.

Once a decision is made to approach an association with an MOU request for fee collection, evaluate whether the association has the resources to meet a this commitment.

- Can the association meet the need?
- Is the association willing to expand beyond its original contract?

Both district and department approval is required. Final MOU approval rests with the director of parks and recreation.

The department's representative will write a letter to the association requesting that the association consider a fee collection MOU to "ease the burden of government," per IRS regulations.

The association's board of directors must vote and show in its minutes that it is willing to

SECTION TWO - DIRECTIVES

assist government beyond the normal association role.

The first MOU will not exceed a six (6)-month trial period, at which time the program will be evaluated as to criteria set forth in the MOU.

- If either party's expectations are not met, there should be no continuation of the MOU.
- The MOU does not have automatic renewal.
- Although negotiable, a subsequent MOU should generally not exceed one (1) year in length.
- The MOU must be separate from the association's contract.

Weigh the Benefits -- an MOU must be evaluated to ensure that it is worth pursuing.
Is there a:

- net gain to the State Park and Recreation Fund [SPRF]?;
- net gain to the association for expenditure in the district?

SECTION TWO - DIRECTIVES

PUBLIC RESOURCES CODE (PRC) SECTION 5010.1 MEMORANDUM OF UNDERSTANDING (MOU) OUTLINE

The following is an outline for department staff and cooperating associations in the use of a PRC Section 5010.1 Memorandum of Understanding (MOU).

Grant and description

- of premises are subject to all valid and existing contracts, leases, licenses, encumbrances, and claim of title.

Term of MOU

- Initial MOU - six (6) month trial period.
- Maximum terms of subsequent MOU - generally in one (1)-year increments.

Collection

- Percent payment to state of total amount of revenue collected.
- Base amount collected.

Services provided may consist of:

- Kiosks
- Collection of fees
- Housekeeping
- Other

Records

- Required to keep true and accurate books and records
- State has right to examine association books, records and tax returns

Use of premises

- Services will be provided when collection would not be practical, possible, or convenient for the state.
- To be determined by the state.
- The association agrees to provide or require:
 - Collections of all standard state park fees.
 - Uniforms for each association-paid employee or volunteer.
 - Use of subject premises only for purpose set in MOU.
 - A competent person available at all times while in operation.
- Employees will be under general supervision of the Cooperating Association Liaison (CAL).
- District supervisory staff, under the direction of the district superintendent, may direct the operation of collection tasks.

Termination of MOU

- The MOU will cease to exist and terminate if any of the terms, agreements, conditions, or covenants are breached, or the association becomes insolvent.

SECTION TWO - DIRECTIVES

- The association will vacate the premises within ninety (90) days after the MOU is terminated.

Maintenance by the association

- Will keep all grounds, yards, and lands free from rubbish and other unsanitary matter.
- Will make no alterations or changes without approval of state.
- Will comply with the district superintendent's instructions.
- Signs, advertising, and approval of names are subject to permission of the department's representative to the association.

Modification of the MOU

- The parties may, by mutual consent, agree to modification, additions, or termination in writing.
- The state can grant reasonable extensions to a MOU time limit not to exceed ninety (90)-day increments.

Assignments

- No transfer of assignments that affect this MOU can be made unless first consented to in writing by the state.

Duration of public facilities

- The state makes no stipulation as to type, size, location, or duration of public facilities to be maintained at these units, or continuation of state ownership.

Photography

- The state may grant permits for use of premises for production of still and motion pictures and related activities when such permission will not interfere with the primary business of the MOU.

Nondiscrimination

- In performance of this MOU, the association will not discriminate against any employee or applicant for employment, in accordance with the association's contract provisions.

Employee training

- All association employees are to receive an orientation on the State Park System, the unit in which the association operating is located, and the local points of interest which will permit employees to reply adequately to inquiries from the visiting public.
- The employee orientation program is subject to the approval of the district superintendent.

SECTION TWO - DIRECTIVES

State's district superintendent

- The district superintendent is the state representative in direct charge of the district.
- The district superintendent, or designee, is charged with day-to-day administration of this MOU, and is the initial contact with the state for information and questions on MOU performance.

Agreement in writing

- The MOU contains the entire agreement between the parties for the purpose of collecting fees.
- Request for changes or modification can be made only in writing. Changes or modifications can be made only with agreement between the parties. The changes or modifications are to be acknowledged by the state.

Transfer guidelines

- The MOU is an interim function until such time as resources are made available for transfer of MOU provided services and functions to DPR personnel.

SECTION TWO - DIRECTIVES
CONFLICT RESOLUTION PROCESS GUIDELINES

This conflict resolution process is a last resort.

Conflicts are those significant matters that arise between the individual associations and the department. This process is not for individual concerns or complaints, but for the broader concerns of an entire association or the department.

The department and associations must make every effort to resolve their differences informally. The formalization of the process begins when informal efforts have failed. The intent of this process is to resolve conflict at its lowest level, in the most expedient manner.

This process may be initiated by either party -- an association or the department.

The association and the department should designate a representative to present its issues (i.e., an association board member; the department's local representative, usually the CAL).

All time frames in this proposal may be extended by mutual agreement of the concerned parties.

First Formal Appeal:

The appellant will submit his/her appeal in writing to the other party.

The respondent (i.e., the department representative or the association representative) must reply in writing within fifteen (15) working days of receipt of the written appeal. Parties have fifteen (15) working days to request the next appeal level.

Second Level Appeal:

The unresolved appeal will be presented to the superintendent's manager, in writing (copy to the department representative and the association representative). For fact-finding purposes, the superintendent's manager will arrange a meeting with the department representative and the association representative within fifteen (15) working days of the receipt of written appeal.

The superintendent's manager's written decision is to be rendered within fifteen (15) working days of the close of the meeting(s), with copies to the department's representative and the association's representative.

Parties have fifteen (15) working days to request the next appeal level.

SECTION TWO - DIRECTIVES

Final Level of Appeal:

The appeal will be presented to the Assistant Director for Cooperating Associations, who is responsible for formation of a resolutions panel, and presentation of the panel's recommendations to the director.

The resolutions panel will consist of five members:

Two (2) members (not involved in the appeal) selected by the association.

Two (2) members (not involved in the appeal) selected by department staff.

One (1) member selected by the panel of members listed above (a neutral third party).

The chair will be selected by majority vote of the panel of members listed above.

Copies of the appeal and panel roster will be sent to the department's representative, and the association's representative.

The panel will conduct a hearing within thirty (30) days of receipt of the appeal. The hearing will allow all parties opportunity to present evidence and arguments.

Final Resolution:

A written decision will be rendered by the panel within fifteen (15) working days of the close of the hearing, with copies to all concerned parties. Where appropriate, the panel may recommend changes to the Cooperating Associations Program Manual (CAPM).

A copy of the panel's decision will be forwarded to the director of the State Department of Parks and Recreation, for review and consideration.

The director's (or his/her designee's) decision is final.

SECTION THREE - OPERATIONS
DPR PROGRAM ADMINISTRATORS{PRIVATE }

Cooperating Association Program Coordinator

A cooperating association coordinator serves on a statewide basis as liaison between the director and all cooperating associations. The position is held by the Cooperating Associations Program Manager in the Interpretation and Education Division.

The Cooperating Associations Program Manager serves in a broad review and advisory capacity over the activities of all cooperating associations, and carries the following duties and responsibilities:

Develops department policies, standards, and guidelines for the program, and for the program's contract management.

Attends meetings, seminars, conferences, and training classes pertinent to association activities, and distributes this information.

Manages and monitors all cooperating association contracts and memorandum of understandings (MOU). Reviews contracts and MOU's for director's signature and coordinates contract and MOU approval with the Department of General Service's legal office.

Reviews association annual reports, and compiles them into a consolidated report for the director of the State Department of Parks and Recreation.

Works with and supports the cooperating association liaison in their reviews of association activities.

Mediates between associations and the department on disputed items and other matters of mutual concern, when necessary.

District Superintendent

The district superintendent approves association activities in a park, and:

Monitors and advises associations on department policies, standards, and guidelines, including other government agency regulations.

Manages and monitors the contract performance of an association; coordinates contract and memorandum of understanding preparation.

Reviews, evaluates, and advises on quality standards for merchandise purchased, produced, and displayed by an association.

Attends board of directors meetings when requested by an association.

Cooperating Associations Liaison

The district superintendent or his/her designee is the department's Cooperating Associations Liaison (CAL). The CAL is the formal representative of the State Department of Parks and Recreation to an association.

SECTION THREE - OPERATIONS

The CAL is the spokesperson for the department to an association board of directors. The CAL serves as an advisor on all association activities, and advises the board on all department matters.

The CAL attends association board of directors' meetings.

The CAL may be excluded from closed sessions at the request of the board.

The CAL initiates, reviews, and processes park requests for association support, and serves as direct liaison between the department and the association. The contract administrator is the district superintendent.

A duty statement will reflect the time needed to fulfill this new position. The CAL position is held by the district superintendent or a designee (usually a supervisor).

The CAL is to be trained (by the department) in nonprofit corporation procedures and responsibilities, including the role of associations in the State Park System.

CAL and Conflict of Interest

A CAL may not serve as an association executive board officer. Restrictions prohibit CAL involvement in association financial matters (i.e., a CAL cannot sign association checks). Because of the inherent conflict-of-interest, no DPR employee will serve either as an officer or a member of the board of directors of an association.

Department employees will not represent the association in any matter between the department and the association. Department employees will not participate in any association decision concerning the relationship of the association to the park or the department. DPR employees can be general members of an association, off-duty and on their own time.

Incompatible Activities and Department Personnel

The department has legal authority (PRC Section 513) for its personnel to participate in association activities, provided that such work does not infringe on their official responsibilities.

To protect the integrity of the California State Civil Service, the law sets standards of conduct for state officers and employees. Government Code Section 19251 prohibits employees from activities that may "...later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by such officer or employee or the agency by which he/she is employed..."

Additionally, Government Code Section 19251 prohibits "...financial or personal interest in entering into a profit-sharing or employment arrangement with any person who is a contractor to the state or is subject to regulation, inspection, licensing, certification, supervision, or audit by the department, when the official duties of the employee or other employees of the department involve such function."

SECTION THREE - OPERATIONS
ASSOCIATION PROGRAM ADMINISTRATORS GUIDELINES

Board Of Directors

Each association is governed by a board of directors established in accordance with the requirements of the association's basic documents (articles and bylaws). Officer titles and duties are left to the discretion of the association.

Staggered and limited terms of office (three years) for members are recommended to ensure continuity and vitality. Rotation of board members is advised to permit a broader scope of knowledge and experience, and to prevent over-obligation and loss of interest. An "advisory board" for research, publications review, business review, etc. may be created to use the expertise of retired board members. Provisions for such an advisory board may be included in the bylaws, and is at the option of the association.

The size of a board may vary, depending on an association's activities, but it can be a critical factor in conducting business. Board members should be selected from a broad range of disciplines, including legal, fiscal, publishing, retail business, and other appropriate professions.

A policy of not doing business with board members in their non-association capacity is recommended. Self-dealing transactions are permitted if certain conditions are met; see the Attorney General's Guide For Charities (1988).

The frequency of board meetings will vary according to needs and activities. State corporate laws should be observed (at least one annual membership meeting) as a minimum. Additional meetings should be held as needed to provide adequate business guidance. Complete and appropriate records of all meetings must be maintained. Tape recordings of meeting procedures make an excellent reference source, but written transcripts or minutes are also necessary. Although proxy votes can be cumbersome, they may be considered to facilitate board activities. State legal requirements must be followed in order to prevent abuse.

Officers' and Board of Directors' Training

To carry out their duties, directors are obligated to become familiar with the association's organization and financial documents. Training for officers and directors is the responsibility of each association board.

Directors of a nonprofit public benefit corporation are responsible for conducting the corporation's affairs, and for exercising the powers of the corporation. Directors may delegate many of their powers to others (such as officers and employees), but the directors are ultimately responsible for all corporate decisions.

Understanding how an association fits into a total park interpretive picture is extremely important to new board members. Orientation of new board members (by the association) to DPR's interpretive goals and programs is strongly recommended.

SECTION THREE - OPERATIONS
VOLUNTEERS ACTING AS STAFF TO AN ASSOCIATION

Association Staff-Volunteers

Volunteers, acting on behalf of an association, as staff to an association, to conduct the business of a corporation, must understand that they are employees of the association for purposes of liability insurance and workers compensation coverage.

Association personnel cannot undertake any function or activity that would lead the public to conclude that they are state employees. No association employee will wear a department uniform.

The association may be required, on written notification by the department, to have its employees who come in direct contact with the public wear a uniform or name badge identifying them as association employees.

The association will review the conduct of its employees. Actions or activities considered inconsistent with proper administration of the park must be corrected. The association and the department must ensure the enjoyment and protection of park visitors, and will take the necessary actions to correct inappropriate association employee conduct.

Association-Volunteer Orientation And Training

To ensure that department standards are met, association personnel involved in public contact will be provided with an orientation (by the CAL or his/her designee) to the park's visitor services program. Association public contact personnel will be approved by the CAL before assuming such responsibilities on state park property.

Association personnel involved in visitor contact will be trained in department history and policy to the classification level of a "visitor services seasonal park aide." These trained association employees may then provide routine information services, and participate in interpretive programs on state park property.

It is important that individuals either employed or volunteering to an association understand the liability protection and injury compensation they are eligible for.

DPR-Volunteer and Docent Training

Associations may assist the department with training and orientation of DPR volunteers. Associations conducting training workshops for DPR personnel and DPR volunteers will be required to submit their training agenda for department approval.

Volunteer and docent training is, by statute, the responsibility of the State Department of Parks and Recreation. The department is governed by the requirements in California Government

SECTION THREE - OPERATIONS

Code Section 3110 et seq., Volunteers, California State Government Volunteers Act. A detailed discussion of volunteering, including authorization to use volunteers and provide training, is described in the department's Volunteers In Parks Program Manual.

Individual Volunteers

Individuals volunteering to the State Department of Parks and Recreation are not required to obtain or hold a membership in a cooperating association.

Memberships

Guideline

The California Corporations Code (Sections 5056, 5310, and 7310) does not require a public benefit corporation to have members. In this case, members may be donors who enjoy honorary membership without voting or statutory rights. Membership benefits are at the discretion of the association. This item should be developed according to the particular needs of each association.

Any public benefit corporation may create classes of members, and offer membership to individuals or corporate entities. Through bylaws, members may be vested with voting and other statutory rights, or they may be donors who enjoy honorary membership without voting or statutory rights. For example, members may be vested with the right to vote for election of a director or directors; on a disposition of all the assets of a corporation; on a merger or on a dissolution; or on changes to the articles or bylaws.

In an open membership, identification, dues, and benefits should be commensurate with the association's stated purposes.

Membership drives must be conducted in a professional manner, and at reasonable expense.

It is suggested that the membership be non-voting in nature.

Laws concerning discrimination must be observed.

For further information, refer to the Attorney General's Guide for Charities (1988) and The Nonprofit Corporation Handbook, by Anthony Mancusco.

SECTION THREE - OPERATIONS
ADMINISTRATIVE OPERATIONS SUMMARY

The department and the association will maintain a distinct separation in management and operation of each other's activities. The association and the department will each designate an individual to act as liaison.

Association activities as they relate to applicable DPR policy and affect a park's interpretive operations can be monitored by the department. The authority to do so is delegated to the district superintendent/CAL by the department. The department cannot administer a cooperating association, which is a separate, corporate, legal entity, governed by the laws of the state.

Governed by a board of directors, the business management of a large association is usually conducted by an association-paid executive director and/or business manager. A smaller association may be directly managed by its board of directors.

Cooperating associations must conduct their fiscal operations in accordance with accepted business practices, as well as complying with a variety of annual reporting requirements. Annual reports contain information about corporation assets and liabilities, principle changes in assets and liabilities, revenue or receipts, and expenses or disbursements.

Nonprofit Incorporation

Each cooperating association under contract with the State Department of Parks and Recreation must be incorporated under the laws of the State of California. Associations are encouraged to seek the services of an attorney, preferably one that specializes in corporate law, or one that specializes in nonprofit, tax-exempt organizations.

Accounting Systems

There is no prescribed standard accounting system for association operations. The accounting system will provide a description of the day-to-day business of the association. It will also provide for reporting of association activities to state and federal agencies. Each association should consult with an accountant to ensure that its business obligations are managed responsibly.

Fiscal Control

Guideline

Responsibility for protection of an association's assets from loss, theft, and misappropriation rests with the board of directors and officers. Besides the need to prevent monetary loss, there is an obligation to protect individuals who perform monetary tasks from suspicion.

It is recommended that associations adopt accounting procedures that will document and protect all money handled. For example, hiring a competent part-/full-time accountant or business manager can prevent many problems.

SECTION THREE - OPERATIONS

Inventory

Guideline

It is recommended that associations periodically inventory their assets.

Bonding

Guideline

Associations are subject to internal theft. Bonding of any employees, who handle cash in any amount, including DPR volunteers acting on behalf of the association, is good business practice.

Financial Reports

All associations should submit a financial report that can be readily justified with the most simple scrutiny, using generally accepted accounting practices.

Financial records for the operation will be kept, and will be available for inspection by the department at any reasonable time.

The department may, on reasonable notice, audit the records and review the internal controls of association business operations.

The department requires an audited financial statement to be submitted on contract renewal.

Revenue

Revenue derived from association park activities will be accounted for separately. Associations may expend the excess revenue-over-costs from association park activities only for the purpose of accomplishing educational and interpretive work, in accordance with the general plan for the park.

Long-Range Programming

Guideline

Long-range programming (three years to as many as five years) is essential to protect the association's assets, and ensure a productive operation. Accumulation of large, unprogrammed funds is an invitation to criticism by the IRS, and a challenge to the association's nonprofit, tax-exempt status.

Long-range programming funds may be transferred into investment opportunities such as insured accounts at savings and loan organizations, or transferred into certificates of deposit. There should be clear documentation regarding the intent for use of this money.

A prudent operating capital reserve is advised. All such funds should be budgeted and programmed on paper for IRS purposes. For example, items to be considered in long-range programming could include:

1. Restocking and increasing inventory

SECTION THREE - OPERATIONS

2. Publishing programs
3. Developing theme-related interpretive products
4. Acquisition of museum specimens
5. Acquisition of interpretive equipment
6. Interest-free loans to other associations

Grants

Guideline

Grants from philanthropic organizations and foundations are frequently available to nonprofit associations. Information can be obtained at a public library on organizations/foundations providing grants, and requirements for qualification.

Fund Raising

The association will not engage in statewide fund-raising campaigns without prior permission from the director's office. This does not prevent associations from accepting donations, or from soliciting funds for local projects directly related to interpretive or educational functions, as coordinated with their CALs.

Lobbying

A nonprofit organization may engage in political activities if they are "to an insubstantial degree" a part of an organization's functions. The IRS determines whether a nonprofit organization's activities are "insubstantial" on an individual case-by-case decision.

Cooperating associations must educate themselves about the federal laws limiting lobbying and other political activities. For example, the IRS 501(c)(3) status of cooperating associations prohibits their campaigning for or against candidates for public office.

Inappropriate participation in lobbying activities can result in revocation of tax-exempt status, and payment of substantial fines. Associations are encouraged to seek guidance from tax advisors knowledgeable in the field of 501(c)(3) taxation prior to lobbying activities. The associations and tax advisors will need to look at the amount budgeted, the time, and the effort expended for political activity.

Opinions held by members, employees, or directors that are either favorable or in contradiction to the programs and policies of the State Department of Parks and Recreation, or other government agencies or private organizations, are best expressed by the individuals concerned as private citizens, and not through the association.

State and Federal Reporting Requirements

Nonprofit corporations must keep adequate written records of accounts; minutes of the proceedings of its members, board of directors, and committees; and records of its members, including their names, their addresses, and the class of membership held by each.

SECTION THREE - OPERATIONS

Nonprofit corporations must keep at the principal office copies of their articles and bylaws for inspection by members at all reasonable times during business hours. Copies of all documents related to the organization should be kept available in association files, and updated as necessary.

Nonprofit corporations carry primary responsibility toward meeting annual reporting requirements. Tax exemption letters or certificates must be obtained from all appropriate agencies. Ignorance of applicable tax laws will not be considered an excuse for failing to make such reports, and could result in financial penalties.

Nonprofit status must be maintained in accordance with federal and state law, and a record of this status should be available at all times. Such proof may be requested by a prospective donor; by the U.S. Postal Service for third-class mailing privileges for nonprofit organizations; by the IRS in the event of an unannounced IRS audit; and at the request of DPR.

DPR Annual Report

The department requires that each association submit an annual report consisting of fiscal and narrative information of the association's fiscal year activities. These annual reports are valuable vehicles for interchange of ideas and reflections of trends.

The information is valuable for understanding statewide or regional trends, and is a method for evaluating the accomplishments of the department's Cooperating Association Program.

The annual report must contain the following:

Assets/liabilities, including trust funds of the corporation, and the amounts raised in park operations, as of the end of the association's fiscal year;

Principal changes that affect assets/liabilities, including trust funds and the amounts raised in park operations during the association's fiscal year; (For example: receipt/disbursement of funds held in trust; collection of park fees as per PRC Section 5010.1)

The revenue of the corporation from all sources (itemized);

The expenses/disbursements of the corporation;

Information on any transaction in which a director or officer of the corporation, or other interested party, had direct or material or financial interest.

Information on indemnification.

The annual report may be accompanied by an accountant's report. Or, the annual report may be accompanied by the certification of an officer of the corporation that the statements were prepared without audit from the books and records of the corporation.

The annual report is due at the end of the calendar year, and is sent to the Assistant Director for Cooperating Associations.

SECTION THREE - OPERATIONS

Initial Reporting Forms

To establish a nonprofit organization, the following documents are to be filed and/or processed:

Secretary of State

Articles of Incorporation

Bylaws

Attorney General

Registry of Charitable Trusts (CT-1)

Franchise Tax Board

State Income Tax Exemption Application (California FTB 3500)

California State sales tax forms (contact local Board of Equalization Office)

Local City and/or County Agencies

Business permits

Internal Revenue Service

Application for Employer Number (IRS Form SS-4)

U.S. Income Tax Exemption (IRS 1023)

Annual Reporting

A nonprofit organization must file and/or process the following documents annually:

Sales Tax

Filed with the State Board of Equalization (quarterly or semi-annually/depending on income)

IRS 990 Return of Organization Exempt From Income Tax

Filed if \$25,000 or more gross revenue is generated

IRS 990T Exempt Organization Business Income Tax Return

Filed with the IRS for unrelated trade or business income

Information Statement Form 199 or 199B

Filed with the State Franchise Tax Board

CT-2

Filed with the Attorney General's Charitable Trust Office (re-register yearly if required by your gross revenue)

SECTION THREE - OPERATIONS

Federal, State, and Local Employment Taxes

Filing includes workers' compensation, unemployment, and disability insurance

Contract

Renewal of a contract with the State Department of Parks and Recreation every five (5) years

Other Reporting

Annual membership meeting report(s)

Yearly financial report(s)

Yearly business report(s)

Annual report(s) to department

Consolidation and/or Mergers

At times, it may be advantageous for an association to consider merging with a large, established association, rather than attempting an independent association. Factors to consider include limited visitation, limited potential sales, administrative time and expense, difficulties in organizing a board of directors, and/or obtaining liability cover

NONPROFIT TAX-EXEMPT STATUS

Associations carry the responsibility to meet annual state and federal reporting requirements. Tax exemption letters or certificates must be obtained from all federal, state, and local tax authorities. Nonprofit status must be maintained according to federal and state laws, and a record of this status should always be available. An association's contract with DPR will automatically terminate if nonprofit status is lost.

The following summary definitions are the primary descriptions governing a cooperating association's nonprofit status in California. There are other situations and regulations that an association may become involved with.

Tax Exempt

"Tax exempt" does not necessarily mean that contributions are tax deductible; it does mean that an organization does not have to pay taxes.

The Internal Revenue Code defines several different categories of tax-exempt organizations, but contributions to only a few of those categories are "tax deductible." Principal among "tax-deductible" groups is the 501(c)(3) category, broadly termed "charitable" organizations.

Under Section 501(c)(3), an organization has to file documents with the Internal Revenue Service that prove it to be organized and operated for the charitable purposes specified by the Internal Revenue Code. The IRS looks at these documents only in terms of the code in granting tax-exempt status to an organization. 501(c)(3) status is granted only to organizations that the IRS considers charitable, educational, religious, scientific, or literary; those that prevent cruelty to animals; and those that foster national or international amateur sports competitions. The IRS will issue a "Letter of Determination" formally notifying the organization of its status.

Certain tax laws apply to non-profit associations, and these requirements must be met. Tax exemption letters or certificates must be obtained from all appropriate federal, state, and local tax authorities.

In applying for state business permits or licenses, it is important that the association not deviate from the purposes set forth in its articles of incorporation and bylaws. Should marked changes in these purposes occur, reapplication must be made to the Attorney General, the Secretary of State, and all other applicable agencies.

Associations should avoid any dealings that may imply that loans and advances or other payments by businesses or individuals to the association are cloaks for activities or ventures other than the purposes set forth in the association's charter.

Tax Deductible

When the IRS rules positively on an application, contributions to the organization are tax-deductible as charitable donations for federal income tax purposes. The term "tax deductible" means that contributions to the organization can be deducted from a donor's federal income tax return.

SECTION THREE - OPERATIONS

Proof of Exemption

It is important to have a record of IRS exempt status available at all times in the event of a challenge. For example, such proof may be requested by a prospective donor; proof will be needed for application for third-class mailing privileges under U.S. Postal Service rulings for nonprofit organizations; proof must be accessible in the event of an unannounced IRS audit. These forms can be obtained from any local IRS office.

Additionally, the IRS requires that all nonprofit organizations annually file IRS Form 990T: Return Organization Exempt From Income Tax. This is required whether the association has received exemption or not.

SECTION FOUR - SALES, GIFTS' AND LOANS
SALES AND MERCHANDISING ON STATE PROPERTY

Sales items must be related to the educational and interpretive themes of the park and the State Park System.

The department will cooperate in planning and design of sales items produced by the association.

A high standard of quality for all publications and objects produced by the association for sale in the park and the State Park System must be maintained.

Only items that have been approved by the department, in advance of sale, may be sold on state property.

The association will NOT sell original historic artifacts.

The association will display all sales items in keeping with the general (design and decor) plan for the park.

Sales of items unrelated to the primary interpretive programs of an association is prohibited. The department is authorized to make exceptions. Approval of sales items and prices, within the scope of an association's primary purpose, remains delegated to the district superintendent. This is a statewide DPR policy.

The purpose of sales items is to promote interest in and study of the interpretive subject of the park. Sales items must not detract from the interpretive integrity of the park. The function of any sales items must be educational, interpretive, or commemorative.

Examples of Appropriate Sales Items

Authentic replicas of an item historically used on-site.

Scale model of a site-related item (i.e.: lighthouse, mission, etc.)

Model of an animal skeleton.

Original paintings and prints of wildflowers reproduced on postcards, calendars, and note-cards (with interpretive messages).

Recordings of animal calls and sounds.

Park commemorative medallions.

Contemporary California or Indian pottery.

Site-related mobiles of whales or other wildlife.

Ethnic crafts and jewelry.

Natural or manufactured products produced by natural or historical demonstrations.

SECTION FOUR - SALES, GIFTS' AND LOANS

Wood sales, with an appropriate interpretive message.

If you have questions, ask your department representative (CAL).

Theme-Related Sales Objects

Associations may make available theme-related objects which, in the best judgment of the park interpretive staff, can effectively contribute to the success of the park interpretive program. Critical evaluation of appropriate versus souvenir objects is extremely important to both the department and the associations' IRS status.

Theme-related objects will be appropriate for sale when:

They relate to the basic park theme(s), and are sold as objects solely in and of themselves (generally identified by means of an accompanying written message); they accurately reflect the original purpose, and are not altered by extraneous features.

Reproductions are so marked (permanently) to distinguish them from artifacts.

Crafts are hand-made in the United States by local crafts persons. Craft or other cultural items from outside the park should be made, where possible, by persons who are members of the culture represented, and should be made from authentic raw materials, using authentic methods and specifications.

They are not historic or natural nonrenewable resources.

They are quality products.

They are made of historic materials (e.g., gold jewelry in Gold Rush parks).

They have been approved by the district superintendent.

Items That Are Inappropriate

Nonrenewable resources and historical artifacts.

Any item that might offend a minority, ethnic, or religious group.

Items that could be considered in poor taste.

Bumperstickers or commercial jewelry.

SECTION FOUR - SALES, GIFTS' AND LOANS

The Following Items Require Department Approval

Patches/Decals These items may be classified as appropriate only when related to membership activities. Sales of patches and decals is subject to approval by the department, and this approval does not eliminate possible IRS audit and evaluation.

T-Shirts This item may be classified as appropriate when it includes an interpretive, commemorative, or educational message. T-shirt sales items must be approved by the department, and this approval does not eliminate possible IRS audit and evaluation.

Food Products From Demonstrations

Food and/or beverages prepared in demonstrations and offered for consumption by associations in the course of park interpretive programs must meet all applicable public health standards.

Alcoholic beverages

Alcoholic beverages should be included as a risk management item, when distributed to the general public. Use of alcoholic beverages on State Park System property, when sold/distributed to the general public, will require a special event permit.

SECTION FOUR - SALES, GIFTS' AND LOANS

SALES AND UNRELATED BUSINESS INCOME

An organization granted IRS 501(c)(3) status may not conduct its business in a way that would be "for profit." This includes the sale of items which are unrelated to its primary purpose in a strict sense of the word. It includes items which, if sold, create unfair competition for non-exempt, for-profit organizations and corporations such as local businesses and concessionaires.

In order to keep such activities to a minimum, a tax was imposed on the "unrelated business income" of otherwise exempt organizations. This tax limits the cost-effectiveness of those items, and must be paid in addition to sales tax.

As associations expand sales inventories, some items may be inappropriate to the interpretive objective, or may be subject to taxation as "unrelated business income." The tax on unrelated business income is directed to the issue of unfair competition. The tax-free status of IRS 501(c)(3) organizations enables them to use their profits "tax-free" to expand operations, while their competitors can expand only with the profits remaining after their taxes have been paid.

To determine whether an organization may continue its exemption status, special IRS forms (Form 990-T), must be filed annually. This form allows IRS auditors to examine a nonprofit corporation's operations. Unlike the regular Form 990, the 990-T is required whether or not the \$25,000 annual gross is reached. Penalties for sales of unrelated business items and failure to file a 990-T are similar to those of failure to file regular returns.

SECTION FOUR - SALES, GIFTS' AND LOANS
MERCHANDISING METHODS GUIDELINES

Wholesaling/Bulk Buying

Wholesaling to other associations, and to park concessions and other commercial outlets, could be a method for reaching potential visitors. It assures increased sales, and can justify printing certain manuscripts not otherwise viable with park sales alone.

Credit Cards

Acceptance of major credit cards is suggested for all association outlets as a visitor convenience, and to encourage a broader distribution of interpretive sales items.

Mail Order Sales

Mail order sales can account for a substantial portion of the annual gross, and, at the same time, distribute information about the park in advance of visits, and to those who may be unable to personally experience the park.

Mail Privileges

Associations are eligible for bulk rate nonprofit privileges. All correspondence must use association letterheads and envelopes, and must comply with United States postal regulations.

Identification Sign

Every association outlet should have a sign that identifies the sales facility as a nonprofit activity of the officially approved cooperating association for the site. This distinguishes the outlet from a concession operation, explains the presence of sales personnel in a state facility, and conveys that funds derived assist the park interpretive program.

SECTION FOUR - SALES, GIFTS' AND LOANS

VISITOR CONVENIENCE SALES

*California State Park And Recreation Commission
Policy Number 30: Sale of Commercial Products By Personnel
of the Department of Parks and Recreation (Amended 11-4-83)*

Where appropriate commercial products are for sale in units of the State Park System, they shall be offered only through concessionaires.

Sale of products by personnel of the State Department of Parks and Recreation and approved cooperating associations shall be restricted to items that are of value to the units in interpretation of the State Park System to the visiting public, or for the public's safety, health, or welfare.

Visitor convenience sales by Cooperating Associations

When the department determines that it is necessary for the comfort and convenience of park visitors, and concessionaires are not currently providing such services, the department may ask a cooperating association to sell visitor convenience items.

District superintendents must take the necessary steps to ensure that sales of visitor convenience items meet the intent of Policy 30.

The following applies:

1. Except where a compatible sales arrangement can be established or is now working, it is not in the public interest for a concessionaire and an association to carry on duplicate, competitive operations in the same park unit.
2. It is in the public interest for visitors to have easy, ready access to educational/interpretive materials -- especially publications. In some cases, associations have produced materials indigenous to the parks in which they operate, such as books, postcards, slides, films, and video cassettes. They should be encouraged to wholesale these materials to concessionaires at appropriate discounts.
3. Visitor convenience items and related merchandise, such as unexposed film, may not be handled by association outlets, except under conditions stated in items 4 and 5 below.

SECTION FOUR - SALES, GIFTS' AND LOANS

4. In seasons when concession operations are closed and an agreement can be worked out with the concessionaire, and in isolated locations where no concessionaire or other commercial outlet is readily available, associations may be requested to offer convenience and related merchandise to enhance the comfort and enjoyment of visitors.

5. Associations may not be authorized to sell convenience and related merchandise until and unless any right to additional service of a concessionaire have been fully respected under the terms of a concession contract.

SECTION FOUR - SALES, GIFTS' AND LOANS

PUBLICATIONS GUIDELINES

Associations are encouraged to carry a variety of publications on the park interpretive theme(s), other parks, and the department in general. This includes books, maps, folders, posters, art prints, and other material produced by DPR's Publications Office, trade (commercial) publishers, and the associations themselves.

The department will support the official publication program of the DPR Publications Office. Associations may also support the DPR Publications Office by purchasing their sales items from this office.

To provide visitors with appropriate high-quality literature, the district superintendent must approve ALL publications sold and distributed to the public.

State-Provided/Official Publications

All sales publications produced by the State Department of Parks and Recreation are sold by the Publications Office. Every effort should be made to coordinate pricing between associations to prevent complaints from customers traveling from one park to another, and to avoid criticism of association policies. Do not deliberately undersell private retailers. The goal is to make interpretive material available to visitors at the best possible price.

Association-Provided Publications

One of the primary association functions is to supplement the official DPR publications program; that is, to provide visitors with appropriate high-quality, informational literature not otherwise available through the department. Subject matter not specifically addressed by department publications and unavailable from trade publishers should be considered for publication by the association. Such a publishing program offers numerous advantages: total quality and content control; design control; control of revisions and reprints; bargaining power on costs; financial returns; and consistent and rewarding contributions to the department.

Publications For Disabled Visitors

It takes little extra effort to convert an association publication into a useful tool for disabled visitors. Keep the disabled visitor in mind when preparing trail guides: use the wheelchair symbol; provide information on facilities; offer warnings on danger areas.

Foreign Language Publications

Associations are encouraged to produce foreign language versions of their publications. As the percentage of non-English-speaking visitors continues to increase, it becomes more important to provide them with adequate interpretive materials.

SECTION FOUR - SALES, GIFTS' AND LOANS

Postcards

All postcards carried or produced by associations should be of the highest quality, and carry an interpretive message.

Audio/Visual

Slides, slide strips, videotapes, and movies are very popular interpretive items. They are clearly appropriate, but not always an exclusive of the association.

Park Newspapers

Associations may accept support from the department and park concessionaires, as well as provide support to the park, for park newspapers. (Policy: Paid advertising by concessionaires and/or business firms is permitted only with approval of the district superintendent.) Announcements of concessionaire-sponsored events, services, and facilities, and reviews of association sales publications/items, are acceptable.

SECTION FOUR - SALES, GIFTS' AND LOANS

GIFTS AND LOANS

Ownership Of Items

Items owned by the association that are used for park operation will be formally gifted or loaned to the department. Any exception to this policy requires the prior approval of the district superintendent. The existing DPR gift/loan agreement (DPR 414) will be used. This agreement requires the district superintendent's approval prior to acceptance of the gift/loan. Any item valued \$15,000 or more also requires the approval of the State Department of Finance (DAM 0942.4).

The gift/loan agreement will include the terms of use and/or display of the item, including the location of the item.

The association has the responsibility to inform any donors that items donated to the association are not donations to the State of California, unless expressly designated as gifts to the state.

Association Property

Gifts of personal property accepted by associations will not be stored or displayed on state park property without the written approval of the district superintendent. Transactions involving objects to be used for interpretive display will comply with department procedures. The objects will be accepted by the department as a gift or loan, when accompanied by the proper documentation.

Collections Management

Interpretive objects acquired by the association should be managed and preserved in a manner consistent with DPR policy. Volunteers are often involved in handling, cataloging, and other activities with DPR interpretive collections, without training or knowledge of proper methods. There is the risk of losing irreplaceable resources. Community ill will is risked if objects are mismanaged, sold, or allowed to deteriorate.

All interpretive objects considered for exhibition on state park property must have an approved plan for use before installation.

DPR interpretive objects or records should not be handled without appropriate training.

Basic records should be kept that identify one object from another, along with the source of the object, and the date acquired.

Interpretive objects acquired by the association cannot be sold without offering first right of refusal to DPR. Objects that are acquired for interpretive or educational purposes should not be sold without following proper deaccessioning procedures.

SECTION FOUR - SALES, GIFTS' AND LOANS

Museum Collections Management Handbook

The Museum Collections Management Handbook contains current procedural policy for management of interpretive collections by the State Department of Parks and Recreation. It includes procedures for acquisition, registration, preservation, and disposition.

Use Of Equipment/Items

Any item used or displayed on park property, or in any event or program outside the park, that represents the department will have approval of the CAL, prior to use.

Maintenance Agreement

A plan for the responsibility and schedule of short- and long-term maintenance must be completed prior to accepting the gift/loan.

Association Inventory

Associations are strongly advised to inventory all possessions. This procedure will assist associations in calculating the assets of the organization for financial purposes.

Department Assistance

The interpretive specialist is available for assistance regarding purchase of appropriate audio-visual and other interpretive equipment. Contact the district superintendent for more information.

Examples

Guideline

The following forms are used to document gifts or loans.

Gift/Loan of personal property:

- DPR 922 Gift or Loan of Personal Property

Museum objects only:

- DPR 925 Deed of Gift
- DPR 926 Loan Agreement

Documentation Examples

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Cooperating Associations Program Standard Contract

This page replaces pages five - 1 thru five – 14. To obtain a copy of the current contract go to the DPR website at:

http://www.parks.ca.gov/default.asp?page_id=22337.

or contact the Cooperating Associations Program Manager, California State Parks, P. O. Box 942896, Sacramento, CA 94296-0001, or via e-mail at jmott@parks.ca.gov, or call the Interpretation and Education Division at (916) 654-2249.

1 STATE OF CALIFORNIA
2 DEPARTMENT OF PARKS AND RECREATION
3 FEE COLLECTION MEMORANDUM OF UNDERSTANDING (MOU)
4 [NAME OF DISTRICT]
5 [DATE FROM -- DATE TO]
6 LOCATED IN [NAME OF COUNTY]
7
8

9 THIS MOU is made and entered into this [DAY] day of [MONTH], [YEAR]
10 by and between the STATE OF CALIFORNIA, acting through its State Department of
11 Parks and Recreation, hereinafter referred to as "State", and the [NAME OF
12 COOPERATING ASSOCIATION], hereinafter referred to as [ASSOCIATION].
13
14

15 WITNESSETH THAT:
16

17 WHEREAS, it is appropriate that the following MOU be entered into for the
18 safety and convenience of the general public in the use and enjoyment of the State Park
19 System;
20

21 NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE
22 PARTIES AS FOLLOWS:
23

24 1. GRANT AND DESCRIPTION OF PREMISES: The state, pursuant to the
25 authority of and in accordance with Section 5010.1 et seq., of the Public Resources Code
26 of the State of California, and for and in consideration of the agreements hereinafter
27 stated, grants to the [ASSOCIATION] for the purposes stated herein, the right,
28 privilege, and duty to collect fees at any or all of the [DISTRICT] units.
29

30 This grant is subject to all valid and existing contracts, leases, licenses,
31 encumbrances and claims of title which may affect said property, and the use of the word
32 "grant" herein shall not be construed as a covenant against the existence of any thereof.
33

34 2. TERM: The term of this MOU shall commence on [MM/DD/YY] and end on
35 [MM/DD/YY], both dates inclusive. Should the [ASSOCIATION] continue services
36 after the expiration of the term of this contract with the express or implied consent of the
37 state, such holding-over shall be deemed to be a tenancy from month-to-month until
38 contract is renewed or the [ASSOCIATION] is given 90-day advance notice of

1 termination of service.

2

3 3. COLLECTION: The [ASSOCIATION] shall pay to the state, without demand,
4 70% of the total amount of revenue collected. Service to be provided by the
5 [ASSOCIATION] to the state may consist of opening and closing of kiosks, collection of
6 fees, and housekeeping as needed, under the direction of the state.

7

8 The [ASSOCIATION] shall keep separate true and accurate books and records
9 showing all collection transactions under this MOU in a manner acceptable to the state,
10 and the state shall have the right through its representative and at all reasonable times to
11 examine such books and records, including all tax return records; and the
12 [ASSOCIATION] hereby agrees that all such records and books are available to the
13 state, as is included in the contract between the state and the [ASSOCIATION].

14

15 The [ASSOCIATION] will submit to the state, no later than forty-five (45) days
16 after the end of the calendar year, a verified profit and loss statement. Said statement
17 shall contain an appropriated certification that all gross receipts during the yearly
18 accounting period covered by said statement shall have been duly and properly reported
19 to the state.

20

21 In the event this MOU is terminated, a profit and loss statement for the period of
22 operation not previously reported, prepared in the manner stated above, shall be
23 submitted by the [ASSOCIATION] to the state within forty-five (45) days after the
24 MOU is terminated.

25

26 The [ASSOCIATION] will use a system acceptable to the State of California's
27 Department of Parks and Recreation for entry fee collections.

28

29 4. USE OF PREMISES: The subject premises shall be used by the [ASSOCIA-
30 TION] for collection of standard state park fees.

31

32 These services shall be provided during periods when collection services would
33 be deemed necessary for effective operation of park units to be determined by the state.
34 The [ASSOCIATION] may remain open on other dates, at other hours, at
35 [ASSOCIATION] discretion, with the concurrence of the district superintendent or
36 authorized representative. In the event of adverse weather or operating conditions, the
37 district superintendent or his/her authorized representative may permit the
38 [ASSOCIATION] to close collection points at any time during the term of this MOU.

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The [ASSOCIATION] shall be required to provide the following:

1. Collections of all standard state park fees including but not limited to day use, annual day use fees, senior day use discount, regular camping, senior camping, and extra vehicle camping fees. The total revenue from the sales of Golden Bear Passes shall be deposited with the state.
2. Uniforms for each [ASSOCIATION] employee shall be the standard seasonal class field uniform as worn in the [DISTRICT], minus state park patches, with an [ASSOCIATION] patch to be affixed on the left shoulder. Uniforms or uniform replacement will not be provided by the state or the [ASSOCIATION].
3. Necessary contact station keys shall be issued by the [DISTRICT]. All keys to be returned to the district by the [ASSOCIATION] within 48 hours from the expiration of this MOU.

The [ASSOCIATION] shall not use or permit the subject premises to be used in whole or in part during the term of this MOU for any other purpose, other than as herein set forth, without the prior written consent of the state.

The [ASSOCIATION] employees will be under the general supervision of the director of the [ASSOCIATION] or the chairperson of the [ASSOCIATION]. However, [DISTRICT] supervisory staff may, under the direction of the district superintendent, and with concurrence of the [ASSOCIATION], direct the operation of the [ASSOCIATION] collection tasks.

4. HIRING, TERMINATION OF EMPLOYEES: The state has the option of participating in all hiring and terminating procedures dealing with these employees.

5. BREACH OF MOU: This MOU is made on the condition that if the fees or other sums which the [ASSOCIATION] herein agrees to pay or any part thereof shall be unpaid on the date on which the same shall become due, or if breach be made in any of the terms, agreements, conditions, or covenants herein contained on the part of the [ASSOCIATION], or should the [ASSOCIATION] become insolvent or bankrupt either voluntarily or involuntarily, and in such event at the option of the state, this MOU shall cease and terminate. The [ASSOCIATION] shall vacate the premises within 90 days after the MOU is terminated.

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6. MAINTENANCE BY [ASSOCIATION]: The [ASSOCIATION] will keep all grounds, yards, and lands included in said premises free from rubbish and other unsanitary matter. The [ASSOCIATION] shall make no alterations or changes in improvements without approval of the state other than to maintain the same.

The [ASSOCIATION] will comply with the district superintendent's instructions as to location of all vehicles, etc., and will cooperate fully with the state in its efforts to improve the appearance and interpretation of the park unit, as related to the premises described herein.

7. SIGNS, ADVERTISING, AND APPROVAL OF NAME: No signs, names, placards, or advertising matter shall be inscribed, painted, or affixed on said premises without permission of the district superintendent or his/her authorized representative.

Notwithstanding any of the above breach of MOU provisions, should the [ASSOCIATION] create or allow to be created a nuisance on the premises described herein, the state, at its discretion, may immediately declare this MOU and all rights therein terminated, after notification and a hearing held on the matter when requested by the [ASSOCIATION].

8. MODIFICATION OF MOU: Notwithstanding any of the provisions of this MOU, the parties may hereafter by mutual consent, agree to modifications thereof, additions thereto, or termination thereof, in writing, which are not forbidden by law. The state shall have the right to grant reasonable extensions of time to the [ASSOCIATION] for any purpose for the performance of any obligation of the [ASSOCIATION] hereunder.

9. ASSIGNMENTS: No transfer or assignment by the [ASSOCIATION] that affects this MOU or of any part thereof, or interest therein, directly or indirectly, voluntarily or involuntarily, shall be made unless such transfer of assignment is first consented to in writing by the state.

10. DURATION OF PUBLIC FACILITIES: By entering into this MOU, the state makes no stipulation as to the type, size, location, or duration of public facilities to be maintained at these units, or the continuation of state ownership thereof, nor does the state make any guarantee regarding the tentative projections in any prospectus furnished to the [ASSOCIATION] at any time.

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11. PHOTOGRAPH: The state may grant permits to persons or corporations engaged in production of still and motion pictures and related activities, for the use of said premises for such purposes, when such permission shall not interfere with the primary business of the [ASSOCIATION].

12. NONDISCRIMINATION: The [ASSOCIATION] and the [ASSOCIATION]'s employees shall not discriminate because of race, religion, color, ancestry, sex, sexual orientation, age, national origin, or physical disability against any person by refusing to furnish such person any accommodation, facility, service, or privilege offered to or enjoyed by the general public. Nor shall the [ASSOCIATION] or the [ASSOCIATION]'s employees publicize the accommodations, facilities, services, or privileges in any manner that would directly or inferentially reflect on or question the acceptability of the patronage of any person because of race, religion, color, ancestry, sex, sexual orientation, age, national origin, or physical disability.

In performance of this MOU, the [ASSOCIATION] will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, age, national origin, sexual orientation, or physical disability. The [ASSOCIATION] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry sex, age, national origin, sexual orientation, or physical disability.

13. PARAGRAPH TITLES: The paragraph titles in this MOU are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of this MOU, or in any way affect this MOU.

14. EMPLOYEE TRAINING: All [ASSOCIATION] employees are to receive an orientation on the State Park System, the park unit in which the collection operation is located, and the local points of interest which will be sufficient to permit such employees to reply adequately to inquiries from the visiting public. The employee orientation program is subject to approval of the district superintendent.

15. STATE'S DISTRICT SUPERINTENDENT: For purposes of this MOU, the "district superintendent" is the state representative in direct charge of the [DISTRICT], and other units of the State Park System, as may be assigned. The district superintendent or designee is charged with day-to-day administration of this MOU, and is the [ASSOCIATION]'s initial contact with the state for information, MOU performance, and

1 other problems that might arise.

2

3 16. AGREEMENT IN WRITING: This MOU contains and includes the entire
4 agreement between the parties hereto, and neither it nor any part of it may be changed,
5 altered, modified, limited, or extended orally, or by any agreement between the parties
6 unless such agreement is expressed in writing, signed, and acknowledged by the state and
7 the [ASSOCIATION], or their successors in interest. For cooperating associations, the
8 MOU becomes an amendment to the contract.

9 17. TERMINATION: This MOU may be terminated by the [ASSOCIATION], with
10 consent of the state, upon 90 days notice. The state may terminate this MOU at any time
11 upon 90 days notice with or without consent of the [ASSOCIATION].

12

13

14 18. NOTICES

15

16 Any notices herein provided to be given or which may be given by either party to
17 the other shall be deemed to have been fully given when made in writing and deposited in
18 the United States mail, postage prepaid, and addressed as follows:

ASSOCIATION

BY:

TITLE:

DATE:

ADDRESS:

STATE

BY:

TITLE:

DATE:

State of California
Department of Parks and Recreation
P.O. Box 942896
Sacramento, CA 94296-0001

SECTION FIVE - DOCUMENTATION

ARTICLES OF INCORPORATION (SAMPLE)

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I

The name of this corporation is _____.

II

A. This corporation is a nonprofit public benefit corporation, and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The primary purpose for which this corporation is formed is to promote educational and interpretive activities of the California State Park System, principally in the _____ County area, support of scientific investigations and studies relating to this area, and presentation of these subjects to the public.

III

The name and address of this corporation's initial agent for the service of process is _____.

IV

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

B. Notwithstanding any other provision of these articles, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in the furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by

SECTION FIVE - DOCUMENTATION

1 a corporation contributions to which are deductible under Section 170(c)(2) of the
2 Internal Revenue Code, or the corresponding provision of any future United States
3 internal revenue law.

4

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V

6

7 A. No substantial part of the activities of this corporation shall consist of carrying on
8 lobbying or propaganda or otherwise attempting to influence legislation, except as
9 provided in Section 501(h) of the Internal Revenue Code of 1986, and this corporation
10 shall not participate or intervene in any political campaign (including the publishing or
11 distribution of statements) on behalf of any candidate for public office, except as
12 provided in Section 501(h) of the Internal Revenue Code of 1986.

13

14 B. The property of this corporation is irrevocably dedicated to charitable purposes, and
15 no part of the net earnings or assets of this corporation shall ever inure to the benefit of
16 any of its directors, trustees, officers, private shareholders, or members thereof, or to the
17 benefit of any private person.

18

19 C. On the dissolution or winding up of the corporation, its assets remaining after
20 payment, or provision for payment, of all debts and liabilities of this corporation shall be
21 distributed to a nonprofit fund, foundation, or corporation which is organized and
22 operated exclusively for charitable purposes, and which has established its tax-exempt
23 status under Section 501(c)(3) of the Internal Revenue Code, or corresponding provision
24 of any future United States Internal Revenue Code.

25

26 I hereby declare that I am the person who executed the foregoing Articles of Incorporation,
27 which execution is my act and deed.

BY:

TITLE:

DATE:

ADDRESS:

SECTION FIVE - DOCUMENTATION

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(SAMPLE) BYLAWS (1992)
OF
_____[NAME OF ASSOCIATION]
A CALIFORNIA PUBLIC BENEFIT CORPORATION

ARTICLE I. OFFICES

Section 1. The corporation's principal office is fixed and located at _____.

The Board of Directors (herein called the "board") is granted full power and authority to change said principal office from one location to another. Any such change shall be noted in the bylaws opposite this section, or this section may be amended to state the new location.

ARTICLE II. OBJECTIVES

Section 1. The objectives of this corporation are: (1) to promote the educational and interpretive activities of the State Park System, principally in the District; (2) to produce and make available to park visitors, by sale or free distribution, suitable interpretive and educational literature and materials, including books, maps, pamphlets, visuals, and recordings; (3) to acquire and display materials or objects pertaining to the cultural history or natural history of the area for the purpose of adding them to the interpretive collections of the State Park System; (4) to develop and maintain a suitable park library for the _____ District; (5) to assist in development and improvement of interpretive facilities; (6) to assist financially and otherwise in the establishment and operation of similar cooperating associations in other areas of the State Park System; and (7) to give all possible aid to the State of California in conserving, developing, and interpreting the areas of the State Park System for the benefit of the public.

ARTICLE III. MEMBERSHIP

Section 1. Members. The corporation shall have no members. Any action which would otherwise require approval by a majority of all of the members or approval by the members shall require only approval by the board. All rights which would otherwise vest in members shall vest in the directors.

SECTION FIVE - DOCUMENTATION

1 Section 2. Associates. Nothing in this article shall be construed as limiting the
2 right of the corporation to refer to such persons associated with it as "members," even
3 though such persons are not members, and no such reference shall constitute anyone a
4 member, within the meaning of Section 5056 of the California Nonprofit Corporation
5 Law. The corporation may confer by amendment of its articles, or of these bylaws, some
6 or all of the rights of a member, as set forth in the California Nonprofit Corporation Law,
7 on any person or persons who do not have the right to vote for the election of directors,
8 or on a disposition of substantially all of the assets of the corporation, or on a merger or
9 on a dissolution or on changes to the corporation's articles or bylaws, but no such person
10 shall be a member within the meaning of said Section 5056.

ARTICLE IV. DIRECTORS

11
12
13
14 Section 1. Powers. Subject to limitations of the articles and these bylaws, the
15 activities and affairs of the corporation shall be conducted and all corporate powers shall
16 be exercised by or under the direction of the board. The board may delegate management
17 of the activities of the corporation to any person or persons, a management company, or
18 committees, however composed, provided that the activities and affairs of the corporation
19 shall be managed and all corporate powers shall be exercised under the ultimate direction
20 of the board. Without prejudice to such general powers, but subject to the same
21 limitations, it is hereby expressly declared that the board shall have the following powers
22 in addition to the other powers enumerated in these bylaws:

23
24 (a) To select and remove all the other officers, agents, and employees of the
25 corporation, prescribe powers and duties for them as may not be inconsistent with law,
26 the articles, or these bylaws, fix their compensation, and require from them security for
27 faithful service.

28
29 (b) To conduct, manage, and control the affairs and activities of the
30 corporation, and to make such rules and regulations therefore not inconsistent with law,
31 the articles, or these bylaws, as they may deem best.

32
33 (c) To adopt, make, and use a corporate seal, and to alter the form of such seal
34 from time to time, as they may deem best.

35
36 (d) To borrow money and incur indebtedness for the purposes of the

SECTION FIVE - DOCUMENTATION

1 corporation, and to cause to be executed and delivered therefor, in the corporate name,
2 promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations,
3 or other evidences of debt and securities therefor.

4
5 Section 2. Number of Directors. The authorized number of directors shall be at
6 least five but no more than fifteen until changed by amendment to these bylaws. The
7 exact number of directors shall be determined by the board of directors.

8
9 Section 3. Selection and Term of Office. Directors shall be elected at each
10 annual meeting of the board. Each director shall serve until the next annual meeting of
11 the board, and until a successor has been elected and qualified.

12
13 Section 4. Vacancies. Subject to the provisions of Section 5226 of the California
14 Nonprofit Public Benefit Corporation Law, any director may resign effective on giving
15 written notice to the chairperson of the board, the president, the secretary, or the board,
16 unless the notice specifies a later time for the effectiveness of such resignation. If the
17 resignation is effective at a future time, a successor may be selected before such time, to
18 take office when the resignation becomes effective.

19
20 Vacancies on the board shall be filled in the same manner as the director(s) whose
21 office is vacant was selected, provided that vacancies to be filled by election by directors
22 may be filled by a majority of the remaining directors, although less than a quorum, or by
23 a sole remaining director. Each director so selected shall hold office until the expiration
24 of the term of the replaced director, and until a successor has been selected and qualified.

25
26 A vacancy or vacancies in the board shall be deemed to exist in case of death,
27 resignation, or removal of any director, or if the authorized number of directors is
28 increased.

29
30 The board may declare vacant the office of a director who has been declared of
31 unsound mind by a final order of court, or convicted of a felony, or found by a final order
32 of judgment of any court to have breached any duty arising under Article 3 of the
33 California Nonprofit Public Benefit Corporation Law.

34
35 No reduction of the authorized number of directors shall have the effect of
36 removing any director prior to expiration of the director's term of office.

SECTION FIVE - DOCUMENTATION

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Section 5. Place of Meeting. Meetings of the board shall be held at any place within or without the State of California which has been designated from time to time by the board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 6. Annual Meetings. The board shall hold an annual meeting for the purpose of organization, selection of directors and officers, and transaction of other business. Annual meetings of the board shall be held without call or notice on a day and time in March set by the board.

Section 7. Regular Meetings. Regular meetings of the board shall be held without call or notice on such dates and at such times as may be fixed by the board.

Section 8. Special Meetings. Special meetings of the board for any purpose or purposes may be called at any time by the chairperson of the board, the president, any vice president, the secretary, or any two directors.

Special meetings of the board shall be held on two days' notice by first-class mail or eight hours' notice given personally or by telephone, telegraph, telex, or other similar means of communication. Any such notice shall be addressed or delivered to each director at such director's address as it is shown on the records of the corporation or as may have been given to the corporation by the director for purposes of notice, or, if such address is not shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient, or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 9. A majority of the directors constitute a quorum of the board for

SECTION FIVE - DOCUMENTATION

1 transaction of business, except to adjourn as provided in section 12 of this article. Every
2 act or decision done or made by a majority of the directors present at a meeting duly held
3 at which a quorum is present shall be regarded as the act of the board, unless a greater
4 number is required by law or by the articles, except as provided in the next sentence. A
5 meeting at which a quorum is initially present may continue to transact business
6 notwithstanding the withdrawal of directors, if any action taken is approved by at least a
7 majority of the required quorum for such meeting.

8
9 Section 10. Participation in Meetings by Conference Telephone. Members of the
10 board may participate in a meeting through use of conference telephone or similar
11 communications equipment, so long as all members participating in such meeting can
12 hear one another.

13
14 Section 11. Waiver of Notice. Notice of a meeting need not be given to any
15 director who signs a waiver of notice, or a written consent to holding the meeting, or an
16 approval of the minutes thereof, whether before or after the meeting, or who attends the
17 meeting without protesting, prior thereto or at its commencement, the lack of notice to
18 such director. All such waivers, consents, and approvals shall be filed with the corporate
19 records, or made a part of the minutes of the meetings.

20
21 Section 12. Adjournment. A majority of the directors present, whether or not a
22 quorum is present, may adjourn any directors' meeting to another time and place. Notice
23 of the time and place of holding an adjourned meeting need not be given to absent
24 directors if the time and place is fixed at the meeting adjourned, except as provided in the
25 next sentence. If the meeting is adjourned for more than 24 hours, notice of any
26 adjournment to another time or place shall be given prior to the time of the adjourned
27 meeting to the directors who were not present at the time of the adjournment.

28
29 Section 13. Action Without Meeting. Any action required or permitted to be
30 taken by the board may be taken without a meeting if all members of the board shall
31 individually or collectively consent in writing to such action. Such consent or consents
32 shall have the same effect as a unanimous vote of the board, and shall be filed with the
33 minutes of the proceedings of the board.

34
35 Section 14. Rights of Inspection. Every director shall have the absolute right at
36 any reasonable time to inspect and copy all books, records, and documents of every kind,

SECTION FIVE - DOCUMENTATION

1 and to inspect the physical properties of the corporation of which such person is a
2 director.

3
4 Section 15. Committees. The board may appoint one or more committees, each
5 consisting of two or more directors, and delegate to such committees any of the authority
6 of the board, except with respect to:

7
8 (a) Approval of any action for which the California Nonprofit Public Benefit
9 Corporation Law also requires approval of the members or approval of a majority
10 of all members;

11
12 (b) Filling of vacancies on the board or on any committee;

13
14 (c) Fixing of compensation of the directors for serving on the board or on any
15 committee;

16
17 (d) Amendment or repeal of bylaws or the adoption of the new bylaws;

18
19 (e) Amendment or repeal of any resolution of the board which by its express
20 terms is not so amendable or repealable;

21
22 (f) Appointment of other committees of the board or the members thereof;

23
24 (g) Approval of any self-dealing transaction, as such transactions are defined
25 in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

26
27 Any such committee must be created, and the members thereof appointed, by
28 resolution adopted by a majority of the authorized number of directors then in office,
29 provided a quorum is present, and any such committee may be designated an executive
30 committee or by such other name as the board shall specify. The board may appoint, in
31 the same manner, alternate members of any committee who may replace any absent
32 member at any meeting of the committee. The board shall have the power to prescribe
33 the manner in which proceedings of any such committee shall be conducted. In the
34 absence of any such prescription, such committee shall have the power to prescribe the
35 manner in which its proceedings shall be conducted. Unless the board or such committee
36 shall otherwise provide, the regular and special meetings and other actions of any such

SECTION FIVE - DOCUMENTATION

1 committee shall be governed by the provisions of this article applicable to meetings and
2 actions of the board. Minutes shall be kept of each meeting of each committee.

3
4 Section 16. Fees and Compensation. Directors and members of committees may
5 receive such compensation, if any, for their services, and such reimbursement for
6 expenses, as may be fixed or determined by the board.

ARTICLE V. OFFICERS

7
8
9
10 Section 1. Officers. The officers of the corporation shall be a president, a
11 secretary, and a treasurer. The corporation may also have, at the discretion of the board,
12 one or more vice presidents, one or more assistant secretaries, one or more assistant
13 treasurers, and such other officers as may be elected or appointed in accordance with the
14 provisions of Section 3 of this article. Any number of offices may be held by the same
15 person except that neither the secretary nor the treasurer may serve concurrently as the
16 president or chairperson of the board.

17
18 Section 2. Election. The officers of the corporation, except such officers as may
19 be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this
20 article, shall be chosen annually by, and shall serve at the pleasure of, the board, and shall
21 hold their respective offices until their resignation, removal, or other disqualification
22 from service, or until their respective successors shall be elected.

23
24 Section 3. Subordinate Officers. The board may elect, and may empower the
25 president to appoint, such other officers as the business of the corporation may require,
26 each of whom shall hold office for such period, have such authority, and perform such
27 duties as are provided in these bylaws or as the board may from time to time determine.

28
29 Section 4. Removal and Resignation. Any officer may be removed, either with
30 or without cause, by the board at any time, or, except in the case of an officer chosen by
31 the board, by any officer upon whom such power of removal may be conferred by the
32 board. Any such removal shall be without prejudice to the rights, if any, of the officer
33 under any contract of employment of the officer.

34
35 Any officer may resign at any time by giving written notice to the corporation, but
36 without prejudice to the rights, if any, of the corporation under any contract to which the

SECTION FIVE - DOCUMENTATION

1 officer is a party. Any such resignation shall take effect at the date of the receipt of such
2 notice, or at any later time specified therein, and, unless otherwise specified therein, the
3 acceptance of such resignation shall not be necessary to make it effective.
4

5 Section 5. Vacancies. A vacancy in any office because of death, resignation,
6 removal, disqualification, or any other cause shall be filled in the manner prescribed in
7 these bylaws for regular election or appointment to such office, provided that such
8 vacancies shall be filled as they occur, and not on an annual basis.
9

10 Section 6. President. The president is the general manager and chief executive
11 officer of the corporation, and has, subject to the control of the board, general
12 supervision, direction, and control of the business and officers of the corporation. The
13 president shall preside at all meetings of the board. The president has the general powers
14 and duties of management usually vested in the office of president and general manager
15 of a corporation, and such other powers and duties as may be prescribed by the board.
16

17 Section 7. Vice President. In the absence or disability of the president, the vice
18 president, if any is appointed, shall perform all the duties of the president, and, when so
19 acting, shall have all the powers of, and be subject to all the restrictions on, the
20 president. The vice president shall have such other powers and perform such other duties
21 as from time to time may be prescribed for him/her respectively by the board.
22

23 Section 8. Secretary. The secretary shall keep or cause to be kept, at the
24 principal office of or such other place as the board may order, a book of minutes of all
25 meetings of the board and its committees, with the time and place of holding, whether
26 regular or special, and if special, how authorized, the notice thereof given, the names of
27 those present at board and committee meetings, and the proceedings thereof. The
28 secretary shall keep, or cause to be kept, at the principal office in the State of California
29 the original or a copy of the corporation's articles and bylaws, as amended to date.
30

31 The secretary shall give, or cause to be given, notice of all meetings of the board
32 and any committees thereof required by these bylaws or by law to be given, shall keep
33 the seal of the corporation in safe custody, and shall have such other powers and perform
34 such other duties as may be prescribed by the board.
35

36 Section 9. Treasurer. The treasurer is the chief financial officer of the

SECTION FIVE - DOCUMENTATION

1 corporation, and shall keep and maintain, or cause to be kept and maintained, adequate
2 and correct accounts of the properties and business transactions of the corporation. The
3 books of account shall at all times be open to inspection by any director.
4

5 The treasurer shall deposit all funds and other valuables in the name and to the
6 credit of the corporation with such depositories as may be designated by the board. The
7 treasurer shall disburse the funds of the corporation as may be ordered by the board, shall
8 render to the president and the directors, whenever they request it, an account of all
9 transactions as treasurer and of financial condition of the corporation, and shall have such
10 other powers and perform such other duties as may be prescribed by the board.
11

12 ARTICLE VI. OTHER PROVISIONS

13
14 Section 1. Endorsement of Documents; Contracts. Subject to the provisions of
15 applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or
16 other instrument in writing and any assignment or endorsement thereof, executed or
17 entered into between the corporation and any other person, when signed by the president,
18 or any vice president and the secretary, any assistant secretary, the treasurer, or any
19 assistant treasurer of the corporation shall be valid and binding on the corporation in the
20 absence of actual knowledge on the part of the other person that the signing officers had
21 no authority to execute the same. Any such instruments may be signed by any other
22 person or persons and in such manner as from time to time shall be determined by the
23 board, and, unless so authorized by the board, no officer, agent, or employee shall have
24 any power or authority to bind the corporation by any contract or engagement, or to
25 pledge its credit, or to render it liable for any purpose or amount.
26

27 Section 2. Construction and Definitions. Unless the context otherwise requires,
28 the general provisions, rules, construction, and definitions contained in the General
29 Provisions of the California Nonprofit Corporation Law and in the California Nonprofit
30 Public Benefit Corporation Law shall govern the construction of these bylaws.
31

32 Section 3. Amendments. These bylaws may be amended or repealed by approval
33 of the board.
34

35 ARTICLE VII. INDEMNIFICATION

36 Section 1. Right of Indemnification. To the fullest extent permitted by law, this

SECTION FIVE - DOCUMENTATION

1 corporation shall indemnify its directors, officers, employees, and other persons
2 described in Section 7237(a) of the California Corporations Code, including persons
3 formerly occupying any such position, against all expenses, judgments, fines, settlements,
4 and other amounts actually and reasonably incurred by them in connection with any
5 "proceeding," as that term is used in that section, and including an action by or in the
6 right of the corporation, by reason of the fact that the person is or was a person described
7 in that section. "Expenses," as used in these bylaws, shall have the same meaning as in
8 Section 7237(a) of the California Corporations Code.

9
10 Section 2. Approval of Indemnity. On written request to the board by any person
11 seeking indemnification under Section 7237(b) or Section 7237(c) of the California
12 Corporations Code, the board shall promptly determine under Section 7237(e) of the
13 California Corporations Code whether the applicable standard of conduct set forth in
14 Section 7237(b) or Section 7237(c) has been met, and, if so, the board shall authorize
15 indemnification. If the board cannot authorize indemnification because the number of
16 directors who are parties to the proceeding with respect to which indemnification is
17 sought prevents formation of a quorum of directors who are not parties to that
18 proceeding, the board shall promptly call a meeting of members. At that meeting, the
19 members shall determine under Section 7237(e) whether the applicable standard of
20 conduct set forth in Section 7237(b) or Section 7237(c) has been met, and, if so, the
21 members present at the meeting in person or by proxy shall authorize indemnification.

22
23 Section 3. Advancement of Expenses. To the fullest extent permitted by law, and
24 except as otherwise determined by the board in a specific instance, expenses incurred by
25 a person seeking indemnification under Sections 1 and 2 of this article, and of these
26 bylaws, in defending any proceeding covered by those sections shall be advanced by the
27 corporation before final disposition of the proceeding, on receipt by the corporation of an
28 undertaking by or on behalf of that person that the advance will be repaid unless it is
29 ultimately determined that the person is entitled to be indemnified by the corporation for
30 those expenses.

ARTICLE VIII. INSURANCE

31
32 The corporation shall have the right to purchase and maintain insurance to the full
33 extent permitted by law on behalf of its officers, directors, employees, and other agents,
34 against any liability asserted against or incurred by any officer, director, employee, or
35 agent in such capacity, or arising out of the officer's, director's, employee's, or agent's
36 status as such.

SECTION FIVE - DOCUMENTATION

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CERTIFICATE

I certify that I am the incorporator of [NAME OF COOPERATING ASSOCIATION], a California nonprofit public benefit corporation, and that the above bylaws, consisting of ___ pages, were adopted by me on [MM/DD/YY], as a part of the formation of said corporation.

BY:

TITLE:

DATE:

ADDRESS:

RECORDS CHECKLIST GUIDELINES

Associations are to compile a repository for corporate documents. The repository of documents serves as a "paper trail," documenting organizational and ongoing corporate formalities. The records are to be kept at the association's principal office, and must be available for inspection at all reasonable times during office hours.

These records may be inspected by the Secretary of State, the Attorney General, the Internal Revenue Service, the State Department of Parks and Recreation, corporation members, the public, and other agencies which may be involved on a by-need basis.

The documents include:

1. Articles of incorporation, bylaws (as amended to date);
2. Minutes of the first board meeting;
3. Tax-exemption applications;
4. Determination letters;
5. Membership information;
6. Financial statements, including the three most recent federal tax returns;
7. Contracts, leases, commitments, or other agreements;
8. Insurance policies;
9. Minutes of the proceedings of the members, board, and committees of the board for the past three years;
10. A current list of officers and board members (including addresses);
11. Description and documentation of current charitable programs;
12. An itemized listing of inventories for sale;
13. A schedule of investments -- land, buildings, equipment;
14. A schedule of endowment and/or restricted funds.

SECTION FIVE - DOCUMENTATION

Additional documentation may be necessary on a by-need basis for reporting to government agencies. For example, listed below are some of the annual reporting and filing requirements that apply to most charities:

1. Form CT-2 -- Periodic report to the Attorney General's Registry of Charitable Trusts.
2. IRS Forms 990 and 990-T -- Federal information returns of tax-exempt organizations.
3. Form 199 and Form 109 -- California return of tax-exempt organizations to the State Franchise Tax Board.
4. Quarterly federal employment tax deposits (FICA) to the IRS.
5. Forms W-2 -- Provided to employees each year; copies are filed by the employer with the federal and state governments.
6. Form 1099 -- Provided to non-employees service providers; copies are filed by the employer with federal and state governments.

SECTION FIVE - DOCUMENTATION
DPR BUDGET REQUEST GUIDELINES

The following pages provide guidelines for department staff when requesting financial and administrative budget assistance from an association. The guidelines are as follows:

1. The cooperating association board of directors initiates a budget for the coming year.
2. The board of directors appoints a budget committee. (The CAL presents the DPR requests to the budget committee.)
3. The association budget committee presents a prioritized budget to the board of directors.
4. The association-approved budget is submitted to the district superintendent to ensure that DPR is aware of funding availability.
5. Items not budgeted (for the year) go through a separate approval process, including district superintendent approval, before submitting the request to the association.
6. Purchases must be in support of approved programs -- refer to parameters set in the association contract.
7. When serving in official department capacity, DPR employees must not sign association checks.

SECTION FIVE - DOCUMENTATION

PART ONE BUDGET REQUEST
TO BE FILLED OUT BY EMPLOYEE INITIATING REQUEST

ITEM REQUESTED:

REQUESTED BY:

A) DESCRIPTION OF ITEM REQUESTED:

B) IS ITEM IN CONCURRENCE WITH INTERPRETIVE PROSPECTUS FOR
UNIT/DISTRICT?

check: YES NO

C) JUSTIFICATION FOR ITEM: (use, interpretive value, etc.)

D) COST OF ITEM: \$

E) MAINTENANCE AND REPLACEMENT REQUIREMENTS:

Part II (on reverse) to be completed by CAL

SECTION FIVE - DOCUMENTATION

Error! Bookmark not defined.PART TWO BUDGET REQUEST
This section is to be filled out by the District Superintendent or designee.

DOES THIS ITEM MEET THE ASSOCIATION'S MISSION REQUIREMENTS?
(qualifying as interpretive/educational/scientific?)

WHO WILL HAVE OWNERSHIP OF THE ITEM?

WHO WILL BE RESPONSIBLE FOR MAINTENANCE AND REPLACEMENT OF THIS ITEM?

HAS THE ITEM BEEN SUBMITTED TO THE DEPARTMENT FOR FUNDING?

check one: YES NO

EXPLAIN:

FORM REVIEWED BY:

Signature of Cooperating Association *Financial Officer*:

DATE

Signature of Cooperating Association *Liaison*:

DATE

Signature of Cooperating Association *President* (or Designee):

DATE

ACTION TAKEN ON REQUEST BY ASSOCIATION:

check one: APPROVED: REJECTED: DATE:

EXPLAIN:

SECTION FIVE - DOCUMENTATION

Error! Bookmark not defined. COOPERATING ASSOCIATION FUNDING REQUEST	
	DATE:
COST: \$	BUDGET LINE ITEM NUMBER:
REQUESTED BY:	
DESCRIPTION OF ITEM:	
BACKGROUND INFORMATION: [its use; interpretive value; etc.]	
APPROVAL OF FUNDING REQUEST:	
ASSOCIATION FINANCIAL CONTROLLER	DATE:
COOPERATING ASSOCIATION LIAISON	DATE:

SECTION FIVE - DOCUMENTATION

Error! Bookmark not defined.

COOPERATING ASSOCIATION PAYMENT VOUCHER

CHECK PAYABLE TO:

DATE:

ADDRESS:

DESCRIPTION OF SERVICE:

AMOUNT:

TOTAL:

APPROVED BY:
ASSOCIATION FINANCIAL CONTROLLER

DATE:

SECTION SIX - RESOURCES

NONPROFIT ASSISTANCE ORGANIZATIONS{PRIVATE }

The department provides the following resources to help associations choose available services and expert advice for assistance with legislative oversight, workshop sponsorship, educational programs, insurance advice, fundraising techniques, board member training, volunteer recognition programs, and so forth.

To avoid conflict of interest issues, inclusion of an agency on this list does not imply endorsement of its services by the department; nor does exclusion of an agency by the department reflect on the contribution made by its service.

Associations, as independent corporate entities, may establish a relationship with any assistance organization.

Council Of Better Business Bureaus (CBBB)

The Philanthropic Advisory Service (PAS) of the Council of Better Business Bureaus (CBBB) publishes a variety of brochures that may assist board officers of cooperating associations. One of the CBBB brochures is entitled "Standards for Charitable Solicitations," which lists recommended practices for organizations that solicit for charitable purposes. The CBBB Standards address an organization's accountability to the public, use of funds, solicitations and informational materials, fund-raising practices, and governance. In general, the CBBB Standards call for:

at least half of the charity's total income to be spent on programs;

no more than half of the charity's total income to be spent on administrative and fund-raising costs;

at least half of public contributions to be spent on programs; and

no more than 35% of contributions to be spent on fund-raising.

The CBBB, in applying these standards, considers special circumstances that might make a charity's expenses reasonable even though they do not meet the percentage guidelines. For example, a new organization understandably will have a higher fund-raising cost than an established organization.

This brochure can be obtained by writing Philanthropic Advisory Service, Council of Better Business Bureaus, Dept. 023, Washington, D.C. 20042-0023; for local information and assistance, contact the Better Business Bureau in your area.

The Foundation Center

The Foundation Center is an independent national service organization established by foundations to provide information on private philanthropic giving. For information on this organization and its affiliate regional centers in California, contact The Foundation Center, 312 Sutter Street, Room 312, San Francisco, CA 94108.

Assistance Organizations

Associations may combine their efforts into an "assistance" organization to represent all member associations. The "assistance" organization will in no way infringe on the independence or management of each association. The purpose of an assistance organization is to:

Represent the views of member associations to the director of the State Department of Parks and Recreation, and all other interested entities.

Represent member associations seeking legal advice on matters affecting associations.

Serve as a "broker" (when requested) to secure loans.

Represent member associations to provide group insurance, retirement plans, and other benefits to association employees.

Work with the State Department of Parks and Recreation to plan and produce conferences, workshops, and other training opportunities relating to cooperating associations.

Fund special recognition awards for volunteers and associations.

SECTION SIX - RESOURCES

The following are a sample of the resources available:

California Association of Nonprofits (CAN)
P.O. Box 1478
Santa Cruz, CA 95061-1478

Consortium for Human Services, Inc.
c/o California Planners and Consultants
559 N. San Pedro Street
San Jose, CA 95110

League of California State Park
Nonprofit Organizations (LCSPNO)
650 Mills Road
Sacramento, CA 95864

The National Volunteer Center
111 N. 19th Street, Suite 500
Arlington, VA 22209

Nonprofit Resource and Support Center
of Southern California
4901 Morena Boulevard, Suite 125
San Diego, CA 92117

Nonprofit Resource Center for
Inland and Northern California
P.O. Box 2036
Sacramento, CA 95812-2036

Nonprofits of Insurance Alliance
of California (NIAC)
P.O. Box 8485
Santa Cruz, CA 95061-8485

Southern California Center
for Nonprofit Management
1052 W. 6th Street, #500
Los Angeles, CA 90017-2059

United Way Board Bank & Board Member Training
For the nearest training center
contact the Sacramento United Way Office
P.O. Box 2036
Sacramento, CA 95812-2036

SECTION SIX - RESOURCES
NONPROFIT REFERENCES

The following resources are by no means a complete listing. There is an entire career field in association management, complete with national and statewide clearinghouses, professional organizations, college curricula, a wealth of literature, and consultation and training services. The following list of nonprofit literature is to point out that there is no need to "reinvent the wheel" with so many resources available at a local library or bookstore.

Associations are encouraged to take advantage of locally provided training opportunities to provide face-to-face orientation for board officers, and for association program enhancement.

Attorney General's Guide for Charities
California Attorney General's Office
October - 1988

Advising California Nonprofit Corporations - 1984
and Supplement - June 1989
California Continuing Education of the Bar
The Regents of the University of California, Berkeley

The Board Member's Book
Brian O'Connell
The Foundation Center, NY 1985

California Nonprofit Corporation Handbook - 5th Edition
Anthony A. Mancuso
Nolo Press, CA 1989

Tax-Exempt Status for Your Organization
Department of the Treasury
Internal Revenue Service
Publication 557 - Revised, October 1988

FORMS

Gift/Loan of personal property:

- DPR 922 Gift or Loan of Personal Property

Museum objects only:

- DPR 925 Deed of Gift
- DPR 926 Loan Agreement

PART ONE BUDGET REQUEST
TO BE FILLED OUT BY EMPLOYEE INITIATING REQUEST

ITEM REQUESTED:

REQUESTED BY:

A) DESCRIPTION OF ITEM REQUESTED:

B) IS ITEM IN CONCURRENCE WITH INTERPRETIVE PROSPECTUS FOR UNIT/DISTRICT?

check: YES NO

C) JUSTIFICATION FOR ITEM: (use, interpretive value, etc.)

D) COST OF ITEM: \$

E) MAINTENANCE AND REPLACEMENT REQUIREMENTS:

PART TWO BUDGET REQUEST

This section is to be filled out by the District Superintendent or designee.

DOES THIS ITEM MEET THE ASSOCIATION'S MISSION REQUIREMENTS?
(qualifying as interpretive/educational/scientific?)

WHO WILL HAVE OWNERSHIP OF THE ITEM?

WHO WILL BE RESPONSIBLE FOR MAINTENANCE AND REPLACEMENT OF THIS ITEM?

HAS THE ITEM BEEN SUBMITTED TO THE DEPARTMENT FOR FUNDING?

check one: YES NO

EXPLAIN:

FORM REVIEWED BY:

Signature of Cooperating Association *Financial Officer*:

DATE

Signature of Cooperating Association *Liaison*:

DATE

Signature of Cooperating Association *President* (or Designee):

DATE

ACTION TAKEN ON REQUEST BY ASSOCIATION:

check one: APPROVED: REJECTED: DATE:

EXPLAIN:

COOPERATING ASSOCIATION FUNDING REQUEST

DATE:

COST: \$

BUDGET LINE ITEM NUMBER:

REQUESTED BY:

DESCRIPTION OF ITEM:

BACKGROUND INFORMATION:
[its use; interpretive value; etc.]

APPROVAL OF FUNDING REQUEST:

ASSOCIATION FINANCIAL CONTROLLER

DATE:

COOPERATING ASSOCIATION LIAISON

DATE:

COOPERATING ASSOCIATION PAYMENT VOUCHER

CHECK PAYABLE TO:

DATE:

ADDRESS:

DESCRIPTION OF SERVICE:

AMOUNT:

TOTAL:

APPROVED BY:
ASSOCIATION FINANCIAL CONTROLLER

DATE: