

Date: December 9, 2005

To: Neighborhood Council Leaders
From: Greg Nelson, General Manager
Subject: NONPROFIT STATUS ADVICE NONPROFIT STATUS ADVICE LETTER

The Office of the City Attorney has released a 6-page letter that answers questions that Neighborhood Councils have been asking about whether or not they can form nonprofit corporations.

The letter can be found on our website at www.lacityneighborhoods.com. Click on Reference Library>Legal Advice. As the result of a small glitch, the letter appears at the bottom of the list of legal advice documents instead of in the General topics section. That will be corrected on Monday.

The advice is that Neighborhood Councils cannot be both city entities and nonprofit corporations, which we already knew; if a nonprofit corporation is to be created (e.g., "Friends of the Happy Valley Neighborhood Council"), it should be created independently of the Neighborhood Council; and no Neighborhood Council money may be used to create the corporation.

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