

A Checklist of Things to Be Done When Starting a Nonprofit Organization

This checklist is a summary of the key considerations and actions that the founders of a new nonprofit organization generally should consider. The sequence shown here will not always be the chronological way a new nonprofit develops, but this list can serve as a general guide for the development of your own checklist and target dates. Every item in this checklist is discussed in the chapters that follow.

1. Establish the charitable purpose of the anticipated program; research whether or not other nonprofits are engaged in the same program; consider if you need to incorporate or if you could partner with an existing nonprofit.
2. If you conclude you need to proceed with starting a new nonprofit, create a clear, succinct, written statement of mission (charitable purpose) and vision.
3. Recruit initial board of directors and source of legal expertise.
4. Determine state requirements for incorporation.
5. Draft articles of incorporation.
6. Draft bylaws.
7. Secure material for obtaining tax-exempt status.
8. Hold meeting of initial board; approve articles and bylaws; authorize tax-exempt filing; elect officers; agree on periodic meeting schedule; agree on committees; appoint board members to committees.
9. File articles of incorporation with state; determine annual reporting requirements, if any, in your state.
10. File application with the IRS for tax-exempt status.
11. After receipt of IRS tax-exempt status, file application for exemption from state income tax
12. Develop strategic plan (or at least a tentative plan that will be revisited after a year of operation); secure board approval. Develop one-year work plan for each program activity, including process to measure outcomes, and determine budget for each program.
13. Develop one-year organizational budget; secure board approval; seek start-up funding from board members and other key supporters.
14. Locate source of accounting expertise.
15. Establish accounting system and record-keeping procedures; open bank account.
16. Develop fund raising plan.
17. Apply for solicitation permits from city and state.
18. Apply for nonprofit mail permit (reduced rate for bulk mailings).
19. Develop and submit grant proposals; initiate fund raising from individual donors.

20. Recruit paid staff and/or volunteers as needed.
21. File employer registration with federal/state governments for income tax and FICA withholding (involves securing federal employer number).
22. Register with state unemployment insurance program per requirements of your state.
23. Determine office and equipment situation and secure appropriate facility.
24. Apply for property tax exemption, if applicable, with local tax assessor's office.
25. Secure liability insurance.
26. Secure insurance to cover any equipment and other property owned.
27. Develop personnel policies (if you have paid staff). Hold orientation sessions for staff and volunteers.