Checklist for New Nonprofits

1. Develop a mission statement – 1-3 sentence purpose statement and 1-2 page description of programs activities.
2. Select individuals to serve on its board of directors.
3. Designate officers to serve on the board committees.
4. Reserve a name with Secretary of State
5. Retain necessary consultants: an attorney or nonprofit consultant to incorporate, create bylaws and to obtain tax exempt status, and retain an accountant for annual audit and mandatory government filings.
6. Organization incorporates or forms a trust to protect its founders and principals from personal liability.
7. Board meets to conclude organizational decisions.
8. Board adopts by-laws.
9. Apply to IRS for an employer identification number (E.I.N.).
10. Establish a bank account and establishes check-signing procedures.
11. Designate which officer(s) have the power to sign checks.
12. File Form 1023 with IRS to get its tax exemption and its designation as being other than a private foundation.
13. File for state and local tax exemptions.
14. Register with state as an Employer, if applicable.
15. Establish financial management, auditing and internal control systems.
16. Set up a chart of accounts to record financial transactions.
17. Establish a general ledger and bookkeeping system (either manual or computerized) to account for cash receipts and cash disbursements, assets and liabilities.
18. Draft and implement a fundraising strategy.
19. Compose job descriptions for staffing needs.
20. Hire staff and sets compensation levels.
21. Prepare a personnel manual.

22. Establish a payroll system (manual or automated), including a) Withholding requirements (federal, state & city). b) Requirements for payment of funds