Turn Your Calling into a Career: A checklist for setting up a non-profit organization

Great! If you're wondering what you need to do next, then look no further. The non-profit checklist below covers the basics of what you will need to know on your journey into the world of non-profits.



- [ ] 1. Choose a name for your non-profit and register it with the state (and municipality if required) in which your organization operates. The name of your non-profit should reflect what your non-profit stands for.
- [ ] 2. Develop a Mission Statement and Strategic Plan. These two documents are extremely important, as they will determine the focus and direction of you non-profit now and in the future.
- [ ] 3. Consult with an accountant familiar with non-profit organizations. This is crucial due to the different set of tax laws that are involved in establishing and maintaining a non-profit organization.
- [ ] 4. Determine whether you are eligible for 501(c) status. This is the all-important IRS tax designation that allows you to obtain private and public grants, low-cost postage rates and exemption from income, sales and property taxes. Most importantly, it allows individuals to donate money to you tax-free.
- [ ] 5. Establish and adopt by-laws for your non-profit organization. Bylaws are the "rules" that govern your non-profit and are necessary to ensure that your organization qualifies for state and federal tax exemption.
- [ ] 6. Create and file the Articles of Incorporation and by-laws for your organization. As part of its complete Non-Profit formation package, LegalZoom will help you incorporate your organization and prepare your 501(c)(3) tax paperwork. For more information, please visit LegalZoom's Non-Profit Services.
- [ ] 7. Set up a Board of Directors. Consider choosing individuals who are both passionate about your cause and carry some weight in your community. An impressive Board of Directors serves as a tremendous resource to a non-profit organization and can often be a "make or break" factor in your success.
- [ ] 8. Set up a bank account under the name of your non-profit organization and that is separate from your personal bank account or from any other business accounts you have
- [ ] 9. Establish an annual budget for your non-profit based on operating expenses including salaries. Once the budget is created, it is possible to determine the amount of money required to run the non-profit.

- [ ] 10. Develop a funding plan that includes funding resources such as grants, corporate and private donations, in-kind contributions, and volunteer hours

- [ ] 11. With the help of your accountant, set up record keeping and accounting processes. This is particularly important in the eyes of the IRS and key to maintaining your non-profit and tax-exempt status.

- [ ] 12. File any necessary local, state and federal tax, licensing, and permits that are required such as obtaining a federal EIN (employee identification number) by filing IRS Form SS-4, applying for a business license from the city and/or state, obtaining a certificate of occupancy for a building, or building permits if you are planning on renovating any part of the building in which your non-profit agency is located. LegalZoom can help you with many of these requirements. For more information please visit LegalZoom's business services.

- [ ] 13. Develop human resource related policies and procedures manuals if you are planning on hiring additional employees.

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