

NONPROFIT STARTUP & BOARD READINESS CHECKLIST

Standalone Comprehensive Edition
LC Business Consultants & Advisory

PURPOSE

This checklist ensures a nonprofit is legally compliant, board-ready, financially responsible, and prepared for fundraising, grants, and audits.

1. MISSION & PURPOSE

- ■ Mission statement written
- ■ Public benefit clearly defined
- ■ Target population identified
- ■ Programs align with mission
- ■ No private benefit to founder or board

2. STATE LEGAL FORMATION

- ■ Nonprofit incorporated with the state
- ■ Articles include nonprofit purpose clause
- ■ Articles include dissolution clause
- ■ Registered agent assigned
- ■ Initial directors listed

3. FEDERAL IRS STATUS

- ■ EIN obtained
- ■ IRS Form 1023 or 1023-EZ filed
- ■ IRS filing fee paid
- ■ Tax-exempt status approved
- ■ Determination letter secured

4. STATE & CHARITABLE COMPLIANCE

- ■ State charitable registration completed
- ■ Fundraising license obtained if required
- ■ Annual reports scheduled
- ■ Renewal deadlines tracked

5. GOVERNANCE & BOARD STRUCTURE

- ■ Board of Directors established
- ■ Minimum board size met
- ■ Chair / President assigned
- ■ Secretary assigned
- ■ Treasurer assigned
- ■ Board understands fiduciary duties
- ■ Board members not all related or in same household

6. BYLAWS & CORE POLICIES

- ■ Bylaws approved
- ■ Conflict of Interest Policy adopted
- ■ Whistleblower Policy adopted
- ■ Document Retention Policy adopted
- ■ Voting and quorum rules defined

7. BOARD OPERATIONS

- ■ Board onboarding completed
- ■ Meeting schedule established
- ■ Meeting minutes recorded
- ■ Board understands fundraising role
- ■ Board understands financial oversight role

8. FINANCIAL SETUP & CONTROLS

- ■ Nonprofit bank account opened
- ■ Founder finances fully separated
- ■ Accounting system established
- ■ Board-approved budget in place
- ■ Financial reports reviewed regularly

9. FUNDRAISING & DONOR COMPLIANCE

- ■ Donation acceptance policy established
- ■ Grant restrictions tracked
- ■ Donor acknowledgments issued
- ■ No personal use of funds

10. PROGRAMS & RISK MANAGEMENT

- ■ Programs documented
- ■ Volunteer policies established
- ■ Background checks required where applicable
- ■ Risk management plan created

11. INSURANCE

- ■ General liability insurance secured
- ■ Directors & Officers (D&O;) insurance reviewed
- ■ Workers' compensation if applicable

12. REPORTING & RECORDKEEPING

- ■ Corporate records maintained
- ■ IRS Form 990 scheduled annually
- ■ State filings submitted on time

FINAL READINESS CHECK

- ■ Board active and informed
- ■ Policies enforced consistently
- ■ Compliance deadlines tracked
- ■ Organization audit-ready

FINAL NOTE

A nonprofit is a public trust, not a personal project. If multiple items are unchecked, pause before fundraising or scaling.