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NonProfit
Start-up
Checklist

So, you want to start a nonprofit. Great! You are in good company.

In today's tough economy, nonprofit organizations are needed more than ever. More people are finding themselves in difficult circumstances, which the government simply cannot respond to or keep up with the need. Daily, America's charities prove how much more effective and efficient the private sector is at meeting citizens' needs.

The checklist below is meant to help by providing a list of the most common start-up steps. For organizations forming in Maryland, I have included the links to state agencies that are a part of the process.

1. Determine Organization Feasibility

- Is there a need for the program or services you plan to provide?

- Are there others already providing the same services?   If so, what are their limitations? How will you fill existing gaps with what you provide?

- Why are you the best person to provide these programs and services?

- What trends might impact your success or failure (demographic, political, cultural, economic)

- What obstacles or risks do you anticipate and how will you overcome them?

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2. Write Organization Description

○ What is your purpose?

○ What is name of the organization?

○ What is the organization's mission?

○ Who will you serve?

○ How will you serve them?

○ Why do they need the services and programs you will provide?

3. Create Organization Operational Plan

○ How will you deliver your programs and services? What activities will occur?

○ Do you need specialized facilities, equipment, or technology to operate?

○ What legal or regulatory requirements must be met in order for you to operate, for example licenses, certificates, insurance, etc.

○ What staff will you need? What positions will they hold? Will they be employees, contractors, consultants? How will you recruit them? What are their job descriptions and pay scale?

○ What volunteer support will you need and how will you recruit them?

○ Who are your collaborative partners? What support will they provide and what can you offer them? How will you find them? Will Memorandums of understanding be needed.

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4. Develop Governance and Management Plan

○　　How many board members will you have?

○　　What qualities, skills and expertise do they need to have?

○　　How will you recruit your board members?

○　　How often will your board meet?

○　　What will be the board committees?

○　　How long will board members serve?

○　　Write your bylaws.

○　　Select your board; hold an organizational meeting and elect officers.

5. Create a Marketing Plan.

○　　How will you conduct outreach with your potential program partici-
pants?

○　　How will you build awareness of your organization among volunteers,
donors, collaborators, the community, and other stakeholders?

○　　Register your domain name. Create a website and social media profiles?

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6. Create a Organizational Budget and a Fundraising Strategy

- How much will it cost to operate annually? What are your fixed and variable expenses?

- How will you raise funds to cover these expenses?

- Who are potential major funding sources and partners?

- Who is your circle of influence will provide monetary support?

- Who will help you fundraise?

- Who can provide in-kind support?

7. Register your organization as a non-stock corporation.

- In Maryland, this can be done with the State Department of Assessments & Taxation. *www.dat.maryland.gov.*

8. Obtain a Tax ID Number for your Organization.

- This can be done at *https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin.*

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9. Open a Business Checking Account.

- Set up your accounting system.

10. Obtain Federal Tax Exemption Determination.

- Federal designation 501c3

- Complete Form 1023 or 1023 EZ with the IRS. For information, go to *https://www.irs.gov/forms-pubs/about-form-1023*

11. Obtain a state sales tax-exemption certificate for your organization,

- please visit *https://www.marylandtaxes.gov/business/sales-use/tax-exemptions/index.php*

12. Register for Charitable Solicitation.

- In Maryland, file Form (COR-92) with the Secretary of State. For more information, visit *Registering a Charity (maryland.gov).*

12. Make sure you register and file all appropriate state filings.

- Maryland uses a Combined Registration Application that includes sales and use tax licenses, income tax withholding accounts, and unemployment insurance accounts. For more information, visit *https://interactive.marylandtaxes.gov/webapps/comptrollercra/entrance.asp.*

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MD Personal Property Return – visit https://egov.maryland.gov/BusinessExpress

Check to see if your state requires local licenses and/or permits to operate

Additional registrations and insurance will be required if you have employees. (worker's compensation, state and federal withholdings, unemployment insurance, employee benefits.)

Review the below items:

14. Determine in you need a physical location.

○   If so, you should contact a commercial realtor to assist you with your search.

15. Obtain the appropriate commercial insurance

○   for your property, employee and liability needs.

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Notes