



CHECKLIST: THINGS TO BE DONE WHEN STARTING A 501(C)(3) NONPROFIT ORGANIZATION

We describe the experience of starting a charity in six phases. Many phases overlap, but this is a good framework to consider what your flow or timeline might look like as you follow the recommended steps.



PHASE 01 -- RESEARCH AND PLANNING		
Completion Date	Checklist Item	Establishing Excellence Program Module #
	1. Form an Initial Exploratory Group.	#1 To Be or Not To Be a 501c3
	2. Research and Discuss Purpose and Feasibility.	#1 To Be or Not To Be a 501c3
	3. Determine next steps and consider alternatives to forming a new organization.	#1 To Be or Not To Be a 501c3
	4. Establish a Record Keeping System. Document all activities related to formation.	#2 Staying Out of Jail Legal Compliance
	5. Assign Responsibilities.	#2 Staying Out of Jail Legal Compliance
	6. Form an Initial Board of Directors.	#2 Staying Out of Jail Legal Compliance
	7. Consider Joining The Alliance.	#1 To Be or Not To Be a 501c3
	8. Establish Mission and Develop a Program Plan.	#1 To Be or Not To Be a 501c3
	9. Develop an Initial Fundraising Plan.	#3 Basic Infrastructure
	10. Draft Articles of Incorporation, Bylaws & Required Policies: Conflict of Interest, Whistleblower, Document Retention.	#2 Staying Out of Jail Legal Compliance
	11. Choose a name and check to make sure it is not already taken or under copyright.	#1 To Be or Not To Be a 501c3
	12. Open a bank account for the charity.	#2-Staying Out of Jail Legal Compliance

PHASE 02 -- STATE AND FEDERAL LEGAL FORMATION

Completion Date	Checklist Item	Establishing Excellence Program Module #
	13. File Articles of Incorporation with the Business Service Division of the MS Secretary of State Office. Non-Profits (ms.gov) or https://sos.ms.gov/BusinessServices/Pages/Non-Profits.aspx . MS SOS	#2 Staying Out of Jail Legal Compliance
	14. Hold a Formal Organizational Meeting to install the Board of Directors, adopt By-laws, and elect Board Officers.	#3 Basic Infrastructure
	15. File for Employer Identification Number (EIN). Federal IRS Form SS-4. IRS	#2 Staying Out of Jail Legal Compliance
	16. File the online Initial Charity Registration Form with the MS Secretary of State's Charities Division for Approval to Raise Charitable Funds. Mississippi Secretary of State (ms.gov) . MS SOS	#2 Staying Out of Jail Legal Compliance
	17. Register with the MS State Tax Commission (MSTC) at http://www.mstc.state.ms.us . Contact MSTC for Exemptions. MS SOS	#2 Staying Out of Jail Legal Compliance
	18. Secure IRS Approval as Federal IRS Tax-Exempt Agency— Federal IRS Forms 1023 : request 501c3 status and IRS Form 8718 : User Fee for Exempt Organization's Determination Letter Request. IRS	#2 Staying Out of Jail Legal Compliance
	19. File IRS Form 5768 to elect the 501(h) test for lobbying activities for charities. IRS	#2 Staying Out of Jail Legal Compliance
	20. Require documentation of registration from any/all of the following types of Fund-raising Professionals: Fund-raising Counsel, Professional Fund-raiser, Professional Solicitor at Mississippi Secretary of State (ms.gov) . MS SOS	#2 Staying Out of Jail Legal Compliance

PHASE 03- FISCAL MANAGEMENT AND DOCUMENTATION

Completion Date	Checklist Item	Establishing Excellence Program Module #
	21. Establish a Bookkeeping/Accounting System.	#3 Basic Infrastructure
	22. Establish a method to record donors and donations.	#2 Staying Out of Jail Legal Compliance
	23. Become fiscally responsible from the start.	#3 Basic Infrastructure
	24. Draft initial staffing plan.	#5 HR, Vol Mgmt, Leadership
	25. Create budget projections for income and expense	#3 Basic Infrastructure
	26. Establish financial policies that explain "Separation of Duties/Internal Financial Controls" and other financial policies.	#3 Basic Infrastructure
	27. Obtain Liability Insurance.	#2 Staying Out of Jail Legal Compliance
	28. Apply for Nonprofit (Bulk) Mail Permit, if applicable.	

PHASE 04 -- FUNDRAISING AND GRANTWRITING

Completion Date	Checklist Item	Establishing Excellence Program Module #
	29. Identify which methods of generating revenue are most feasible for your organization.	#3 Basic Infrastructure
	30. Learn benefits and drawbacks of grant writing.	#3 Basic Infrastructure
	31. Learn basics regarding ways to raise funds from income sources and businesses.	#3 Basic Infrastructure
	32. Review and implement Fundraising Plans.	#3 Basic Infrastructure

PHASE 05- PROGRAMS AND POLICY

Completion Date	Checklist Item	Establishing Excellence Program Module #
	33. Establish goals, objectives, and activities that link mission to program.	#4 Planning and Measuring Results
	34. Develop an evaluation system for goals, programs and activities that include Measurable Outcomes.	#4 Planning and Measuring Results
	35. Develop Personnel and Operational Policies and create Job Descriptions.	#5 HR, Vol Mgmt, Leadership
	36. Begin Program Activities.	#4 Planning and Measuring Results

PHASE 06 -- SUSTAINABILITY AND COLLABORATION

Completion Date	Checklist Item	Establishing Excellence Program Module #
	37. Continually develop staff and volunteers: comprehensive performance planning system, volunteer management, professional development, and DEI-Diversity, Equity, and Inclusion.	#5 HR, Vol Mgmt, Leadership
	38. Plan and conduct regular Board Education and Board Development activities and possibly an annual retreat.	#3 Basic Infrastructure
	39. Report Annually to the IRS on Form 990, 990EZ, or 990N. IRS	#2 Staying Out of Jail Legal Compliance
	40. File the annual Renewal for an Existing Charity MS SOS registration. Mississippi Secretary of State (ms.gov). MS SOS	#2 Staying Out of Jail Legal Compliance
	41. Join community groups that have an interest in or may support your organization.	#5 HR, Vol Mgmt, Leadership
	42. Regularly review and document progress toward goals and objectives as they relate to programs and mission. Conduct an annual Strategic Planning session.	#4 Planning and Measuring Results
	43. Publicize your organization and its activities via website and social media.	#5 HR, Vol Mgmt, Leadership

Note: This checklist was prepared as a guide for persons who are considering forming a charitable nonprofit organization. Depending on the type of program and the sources of funding, further registration, reporting, or licensing may be required.

The Mississippi Alliance for Nonprofits and Philanthropy provides guidance to organizations on establishing 501(c)(3) status through our nonprofit training. However, for professional, legal, or accounting advice, consult your attorney or CPA.

Adapted by the Mississippi Alliance for Nonprofits and Philanthropy from a checklist developed by the Accounting Aid Society of Greater Detroit, the Center for Effective Nonprofit Management in New Orleans, and Thrive South Consulting in Jackson, MS.