

## PRINTABLE CHECKLIST

### Before You Begin

*Sustaining an organization with sufficient human and financial resources in the long term can be a challenge. Start with some background research.*

When deciding whether to establish a nonprofit organization, answer these questions:

- Would the organization compete with another nonprofit organization? If so, should the other organization be supported instead of establishing a second organization?
  - Ways to find out about active North Dakota nonprofits:
    - ▶ NDANO Members: Use our [searchable membership directory](#) to find members working in diverse mission areas across North Dakota.
    - ▶ Tax Exempt Organizations: The IRS provides a [search tool](#) to help individuals find information about a tax-exempt organization's federal tax status and filings.
    - ▶ ND Nonprofit Corporations: Nonprofits incorporated in North Dakota are required to file annual reports with the Secretary of State. Search the state's [business records](#) to find nonprofit corporations.
  - ▶ What would be the organization's strategic plan?
  - ▶ What would be the organization's business (i.e., financial) plan?
  - ▶ What talent and expertise would the initial board of directors bring to the organization?
  - ▶ What would be the name of the nonprofit corporation?
    - Determine if the preferred corporate name is available through a business search on the Secretary of State's [website](#).

### Next Steps: Following Legalities

*This material is intended for general information purposes only and does not constitute legal advice. Anyone intending to start a nonprofit is encouraged to seek advice from an [attorney or accountant](#).*

- Determine whether to register the selected name to prevent any other organization from using that name. The Secretary of State's website provides [guidance](#). Also see N.D.C.C. § 10-33-11.
- Draft articles of incorporation that comply with N.D.C.C. § 10-33-06. See [IRS Publication 557, Appendix](#) for sample articles.
  - The articles of incorporation must be signed by one or more incorporators. N.D.C.C. § 10-33-05.
- File the articles of incorporation and a [\\$40 filing fee](#) with the Secretary of State. N.D.C.C. § 10-33-08. Basic articles may be [filed online](#).
  - Articles of incorporation are only submitted once, but each year nonprofits are required to submit an Annual Report by Feb. 1.

Schedule an organizational board meeting

- When the Secretary of State has officially filed the articles of incorporation, which establishes the nonprofit corporation, the incorporator(s) should conduct an organizational meeting to elect the initial board of directors (if not named in the articles of incorporation). N.D.C.C. §§ 10-33-25, 10-33-27, 10-33-28, 10-33-29, and 10-33-20.

■ The Board of Directors should:

- Authorize the appropriate person to [apply online](#) for an employer identification number.
- Approve bylaws. N.D.C.C. § 10-33-26.
- Elect officers. N.D.C.C. § 10-33-49.
- Adopt a resolution or motion to authorize an officer or employee to open appropriate bank accounts.
- Adopt a resolution or motion to authorize an officer or employee to [apply for 501\(c\)\(3\) tax-exempt status](#) or make appropriate arrangement with a [fiscal sponsor](#).
  - ▶ If affiliated with a faith-based organization, the nonprofit may be authorized to obtain a 501(c)(3) tax-exempt status under the faith-based organization's [group exemption](#).
  - ▶ The IRS grants income tax exemptions to different types of nonprofits, including 501(c)(3) or charitable organizations (whose contributions from donors qualify for federal charitable income tax deductions). When granted an IRS exemption, North Dakota nonprofit corporations are also exempt from paying state income tax. North Dakota also governs sales and property tax exemptions, if applicable, for nonprofit corporations.
  - ▶ Some nonprofits utilize a [fiscal sponsor](#) as they get started, instead of immediately filing the IRS paperwork.
- Authorize an officer or employee to [register as a charitable organization](#) with the Secretary of State.
- Approve a budget.
- Adopt appropriate written policies:
  - ▶ Conflict of Interest Policy – see IRS Form 990, Part VI, Section B, 12a.
  - ▶ Whistleblower Policy – see IRS Form 990, Part VI, Section B, 13.
  - ▶ Document Retention and Destruction Policy – see IRS Form 990, Part VI, Section B, 14.
  - ▶ Process for determining compensation of key employees – see IRS Form 990, Part VI, Section B, 15.
  - ▶ Internal controls



This checklist was developed by NDANO, the statewide membership association advancing nonprofit organizations through advocacy and public policy, education and training, resources and research, cost-saving programs, and networking and leadership.

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