Client Alert

Nonprofit Organizations: Regular Tasks That Matter

July 17, 2018

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Laura brings over 20 years of experience to her role as a partner in the firm's Business Transactions group. With a focus on corporate law and transactional matters, she advises clients in the areas of business counseling; the formation of organizations, including non-profit, tax-exempt organizations and limited liability companies; mergers and acquisitions; and compliance with the law and best practices.

Ensuring compliance on a regular basis can be a daunting task for many nonprofit organizations. This undertaking can be simplified to some degree by leaders reviewing certain organizational and governance aspects that could expose weaknesses and prompt action towards compliance. Simple tasks include:

- Confirm that required annual filings have been made to maintain the organization's good standing with the appropriate state agency.
- Review governing documents, such as articles of incorporation and bylaws, to confirm that the governing body has the requisite number of directors and officers that have been duly elected.
- Review corporate records for documentation of the annual meeting and other meetings that have taken place throughout the year.
- Ensure that the organization's mission and activities conform to the governing documents and filings made with the IRS.
- Determine whether the organization's activities cross state boundaries and require compliance with each state's registration requirements for doing business or soliciting for charitable contributions.
- Review Form 990-PF or Form 990, as applicable, for accuracy in disclosing the organization's activities for the reporting year and to ensure annual reporting with the IRS and state department of revenue is completed.
- Check the organization's information posted on guidestar.org to ensure it is current and accurate.
- Acknowledge the existence of, and compliance with, the organization's conflict of interest policy.
- Confirm that donations are properly acknowledged and receipts are given.
- Review employee compensation for reasonableness.

These are some of the basic actions that should be taken by nonprofit organizations to review its level of compliance. If any of these tasks expose compliance concerns for your organization, please contact a member of our team for assistance. For more information about our services for Nonprofit organizations, please visit our website.