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**Compliance and Recordkeeping Checklist**

**Overall**

1. **Timesheets**

* Kept in real time
* Used to determine lobbying hours & if c3/c4, cost-sharing reimbursements

1. **Board Meetings**

* Held in accordance with by-laws & state laws including quorum
* Signed minutes documenting major decisions and board elections
* Documented compliance with any conflict of interest policy

1. **If c3&c4, Cost-sharing agreement**

* Vetted by lawyers
* Timely reimbursements [especially if c3 is the lead agency]
* Reviewed regularly

**Federal level**

1. **Federal Form 990**

When to file: 15th of the 5th month after year-end

If year-end is December 31, then due **May 15th** [Nov 15th with extension].

1. **Payroll Taxes** [FICA, Federal Income Tax Withholding, 501c3’s are exempt from FUTA but 501c4’s are not]
2. **Public Disclosure of Form 990** [does not include the names & addresses of donors—Schedule B]
3. **Donor Acknowledgement** [for a single donation of $250 or more or for a payment over $75 partly for good & services and partly as a donation]

**Donor Acknowledgement Language Examples**

“Thank you for your cash contribution of $300 that Social Justice Now received on May 11th, 2024. No goods or services were provided in exchange for your contribution.”

Thank you for your cash contribution of $100 that Social Justice Now received on May 11th, 2024 for our annual dinner event. In exchange for your contribution, you received a meal with an estimated fair market value of $20.”

**State level**

1. **Registering & Renewing as a Charity** – review at your state’s website
2. **Annual state information returns -** review at your state’s website
3. **Lobbying registration & reporting – review regulations by state**

<https://afj.org/bolder-advocacy/>

**Local level**

1. Some cities require you to register as a business but usually nonprofits are exempt from paying taxes. Check with your city government for Business Licensing & Tax reporting.
2. Some local governments require registration and disclosure of lobbying activities.

**Recordkeeping**

**How Long & What Kinds of Financial Records to Keep:**

Current year plus 6 previous years – be sure to review if your state has specific laws. The specifics can be detailed in your Documentation Retention Policy, and reviewed annually. All your records can be kept electronically.

1. **Income:**

•Copies of all checks received grouped by deposit with copy of deposit receipt

•File by month

1. **Expenses:**

•Copies of all approved invoices, bills, reimbursement forms with check stub

•File alphabetically by vendor name

1. **Bank Statements:**

•Initialed statements with copy of reconciliation report

•Filed by bank account and within each file by month

1. **Payroll:**

•Timesheets

•Copies of each payroll run filed in order

•Copies of quarterly federal 941 & state tax filings

•Year-end copies of W2s & 1099s for contractors

**All files for a single year should be kept together especially when they go to storage!**

1. **Personnel Files:**

How long to keep them varies depending on the type of information kept so **3 years after separation** is a good guideline. Only need to save what you actually create.

Examples:

Job description

Resume or employment application

W4

Signed Employee Handbook receipt

Performance evaluations

Awards or commendations

Documentation of disciplinary actions

Emergency contact information

Do **NOT** keep copies of I-9 forms in personnel files. Keep all I-9s in one file.