



## Compliance and Recordkeeping Checklist

### Overall

#### 1. Timesheets

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

#### 2. 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

#### 3. 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: 15<sup>th</sup> of the 5<sup>th</sup> month after year-end

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

#### 2. Payroll Taxes [FICA, Federal Income Tax Withholding, 501c3's are exempt from FUTA but 501c4's are not]

#### 3. Public Disclosure of Form 990 [does not include the names & addresses of donors—Schedule B]

#### 4. 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 11<sup>th</sup>, 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 11<sup>th</sup>, 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

#### **2. Expenses:**

- Copies of all approved invoices, bills, reimbursement forms with check stub
- File alphabetically by vendor name

#### **3. Bank Statements:**

- Initialed statements with copy of reconciliation report
- Filed by bank account and within each file by month

#### **4. 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!**

#### **5. 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.