

This checklist is designed to help nonprofit leaders, board members, and staff ensure their organization remains compliant and in good standing. The checklist is aligned with The Nonprofit Partnership's Nonprofit Capacity Assessment Tool and highlights core compliance-related practices across key operational areas.

**This document is intended as a practical reference, not legal advice. Organizations should consult qualified legal, accounting, and HR professionals as needed.**

## Governance & Legal Compliance

- Organization is incorporated and registered in the correct state(s)
- IRS 501(c)(3) determination letter is on file
- Bylaws are current, board-approved, and followed
- Board meets at least as required in bylaws
- Board minutes are documented and retained
- Conflict of Interest policy exists and annual disclosures are completed
- Whistleblower and document retention policies are in place
- Board roles and officer positions are clearly defined
- Board members understand fiduciary duties (care, loyalty, obedience)

## Financial & Risk Management

- IRS Form 990 is filed accurately and on time
- State charitable solicitation registrations are current
- Financial controls are documented and followed
- Annual budget is board-approved
- Regular financial reports are reviewed by the board
- Audit or financial review requirements are met
- Insurance coverage is adequate (D&O, general liability, workers' comp)
- Risk assessment is conducted periodically

## Human Resources & Employment Practices

- Employee handbook is current and compliant with federal and state law
- Job descriptions are documented and up to date
- Payroll taxes are filed and paid correctly
- Required labor law postings are displayed
- Personnel files are maintained securely
- Volunteer policies and background checks are in place where required

## Fundraising & Revenue Compliance

- Fundraising practices comply with donor intent
- Gift acceptance policy exists
- Donor acknowledgements meet IRS requirements
- Restricted funds are tracked appropriately
- Fundraising contracts are reviewed and approved
- Cause marketing and sponsorship agreements are documented

## Marketing, Communications & Public Accountability

- Mission and programs are accurately represented publicly
- Website includes required disclosures
- Financial information is available upon request
- Brand and messaging align with organizational purpose
- Data privacy practices are documented

## Infrastructure, Technology & Data

- Data security protocols are in place
- Backup and recovery processes exist
- Access to financial and donor systems is controlled
- Technology tools support compliance and reporting needs

## Equity, Ethics & Organizational Integrity

- DEI commitment is documented and reflected in practice
- Ethical standards are clearly communicated
- Complaints or grievances can be reported safely
- Organizational culture supports accountability and transparency

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## Using This Checklist with the Nonprofit Capacity Assessment Tool

This checklist aligns with The Nonprofit Partnership's Nonprofit Capacity Assessment Tool. Organizations are encouraged to complete the full assessment to gain deeper insight into compliance gaps, risk areas, and capacity-building opportunities. Assessment results can be used to prioritize corrective actions and inform board discussions.

Learn more at  
[AssessMyNonprofit.org](https://AssessMyNonprofit.org)

