

Checklist to Become a 501(c)(3) Non-Profit Organization

(*The following guide and examples are for educational purposes only. Legal counsel is always recommended.)

Determine neighborhood's purpose and create ARTICLES OF INCORPORATION. Draft clear, concise written mission statement and goals. (see links for examples)

Form Steering Committee or Executive Board. A leadership or Steering Committee can translate ideas into practice through planning and fund-raising.

File articles of incorporation with Secretary of State. For nonprofits that want to incorporate, requirements for forming and operating a nonprofit corporation are governed by state law. File your documents using the SOS Fast Track System - <https://sos.iowa.gov/> There is a \$20 fee to file.

Draft bylaws. Bylaws should be drafted and approved by coalition early in its development. An attorney experienced in nonprofit law can review bylaws for appropriateness.

(Optional) Develop strategic plan. It is always a good idea to set some goals for the next few years to keep your team focused. I'd suggest working in some "easy" short term wins (developing a newsletter or creating social media page) alongside some long-term aspirations (such as ordinance changes or lobbying efforts). Outline steps needed to work toward that potential, and maybe assign some tasks for each member.

Develop accounting system, budget, and resource development plan. Most boards with have a Treasurer position. Chances are you won't be dealing with large amounts of capital, but it's important to keep accurate records for both future audits (some grants require this) and also to be good stewards of your neighborhood's resources. As far as fundraising, do what comes naturally. Some neighborhoods put together events, some have voluntary annual dues, and other have sold ads to local businesses inside their newsletters.

Establish record-keeping system for the coalition's official records. Meeting minutes, financial reports, and other official records must be saved for the life of the neighborhood. This can be as old school as a notebook in a manila folder, or in the cloud on a google drive. Whatever you decide, make sure it is easily accessible and not easily lost.

Obtain employer identification number from IRS – Simply go to www.IRS.gov and apply for your free EIN.

File Internal Revenue Service (IRS) determination of federal tax-exempt status. Nonprofit corporations with charitable, educational, scientific, religious, or cultural purposes (including neighborhood associations) have tax exempt status under section 501(c)(3) of the Internal Revenue Code. To apply online, file form 1023 EZ at www.irs.gov. There is a \$275 filing fee – Also, during the application, when asked to choose a NTEE code, use S22 (Neighborhood Association).

ANNUALLY – 990N Tax Form - For Neighborhood Associations that are 501c3 you'll need to remember to file a 990N every year during tax season. For 501c3s that are dealing with small amounts of capital (under \$50,000) this is an incredibly short form and should only take you a few minutes.

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BIANNUALLY – SOS report – The state of Iowa requires a biennial report to update contact information and names for your association.

(Optional) – Submit your neighborhood boundaries to the county GIS department. The county can draw up the boundaries on their GIS system for public access and reference.