



Basic Infrastructure Checklist

For 501(C)(3) Nonprofit Organizations in Maine

The following list outlines the documentation, systems and support mechanisms that nonprofit organizations should have in place to function in a manner that is effective, sustainable and accountable. Generally, these recommendations are applicable to small grassroots organizations as well as to large, multi-site networks.



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Compilation of this material will prove to be “value-added” work. Much of this information is needed to receive grant funding, as well as to demonstrate professional accountability to the public, your clients, and prospective donors. Some of these items are state or federal requirements: failure to comply with regulations may jeopardize the organization’s legal standing. In a time of increased accountability and public scrutiny, the ability of an organization to answer questions on its operations in a precise and meaningful way facilitates the public’s trust.

Because most of the Maine Association of Nonprofit’s (MANP’s) members are 501(c)(3) public charities, this checklist is tailored to the particular needs of those organizations. Other kinds of organizations, including 501(c)(4)’s; and 501(c)(3) private foundations, are subject to somewhat different legal requirements. Therefore, although much of the content of this checklist applies to these latter organizations as well, extra care should be taken to ensure compliance with all relevant laws and regulations.

www.nonprofitmaine.org

This checklist is based on a similar document created by the Michigan Nonprofit Association. We appreciate their generosity in sharing their information and experience with the Maine Association of Nonprofits.

Basic Infrastructure Checklist

For 501(c)(3) nonprofit organizations in Maine

(ME) denotes a Maine legal requirement (US) denotes a federal legal requirement

yes	no	Governance
		REQUIRED
<input type="checkbox"/>	<input type="checkbox"/>	Up-to-date Articles of Incorporation (and Articles of Amendment, if applicable) (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Up-to-date Bylaws (include board liability and indemnification language) (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Up-to-date Annual Report and Registered Agent (filed with Maine Secretary of State) (ME)
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Conflict of Interest Policy
<input type="checkbox"/>	<input type="checkbox"/>	Board Resolutions/Minutes Book
<input type="checkbox"/>	<input type="checkbox"/>	Board and Committee Policy Handbooks
<input type="checkbox"/>	<input type="checkbox"/>	Committee Descriptions (purpose, structure, goals and activities)
<input type="checkbox"/>	<input type="checkbox"/>	Board Member Orientation and Training Plans
<input type="checkbox"/>	<input type="checkbox"/>	Board Self-Assessment Plan
<input type="checkbox"/>	<input type="checkbox"/>	Executive Director Assessment Plan
<input type="checkbox"/>	<input type="checkbox"/>	Disaster Recovery Plan
<input type="checkbox"/>	<input type="checkbox"/>	Leadership Succession and Transition Plan (volunteer and staff leadership)
<input type="checkbox"/>	<input type="checkbox"/>	Liability Insurances (Directors and Officers, general, volunteer, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	Risk Evaluation and Management Systems
yes	no	Planning
		REQUIRED - NONE
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Mission Statement
<input type="checkbox"/>	<input type="checkbox"/>	Vision Statement
<input type="checkbox"/>	<input type="checkbox"/>	Value Statement
<input type="checkbox"/>	<input type="checkbox"/>	Operational/Strategic Plan (including system to monitor progress)
yes	no	Human Resources (If one or more employees)
		REQUIRED
<input type="checkbox"/>	<input type="checkbox"/>	Compensation Documentation (executive and other staff)(US)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Unemployment Tax (if four or more employees, unless exemptions apply) (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Payroll (federal and state withholdings/filings) (ME/US)
<input type="checkbox"/>	<input type="checkbox"/>	Report all hires to Maine Department of Human Services (to improve enforcement of child support obligations) (ME)

yes	no	Human Resources <i>(continued)</i>
<input type="checkbox"/>	<input type="checkbox"/>	Workers Compensation Insurance (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Human Rights Act (prohibits discrimination based on: race, sex, sexual orientation, physical or mental disability, religion, ancestry or national origin, and age ME)
<input type="checkbox"/>	<input type="checkbox"/>	Wage and Hour Laws (US/ME)
<input type="checkbox"/>	<input type="checkbox"/>	Child Labor Laws (US/ME)
<input type="checkbox"/>	<input type="checkbox"/>	Wage Payment Statutes (US)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Equal Pay Law (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Medical Examination Fees and Application Fees (US)
<input type="checkbox"/>	<input type="checkbox"/>	Smoker's Rights Statute (US)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Substance Abuse Testing Law (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Whistleblower Protection Laws (US/ME)
<input type="checkbox"/>	<input type="checkbox"/>	Recovery of Overcompensation (US)
<input type="checkbox"/>	<input type="checkbox"/>	Proper classification as "employee" or "independent contractor" (ME/US)
		<i>Additional Requirements for Organizations with Two Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	Maine Video Display Terminal Law provided in writing (ME)
<input type="checkbox"/>	<input type="checkbox"/>	National Labor Relations Act (US)
		<i>Additional Requirements for Organizations with Three Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	The Maine Rest Break Statute (ME)
		<i>Additional Requirements for Organizations with Five Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	Maine Video Display Training Law (provided both orally and in writing) (ME)
		<i>Additional Requirements for Organizations with Fifteen Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	Civil Rights Act of 1964 (US)
<input type="checkbox"/>	<input type="checkbox"/>	Americans with Disabilities Act of 1990 (US)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Family Medical Leave Law (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Sexual Harassment Training (provided for all new employees within one year) (ME)
		<i>Additional Requirements for Organizations with Twenty Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	Age Discrimination in Employment Act of 1967 (US)
<input type="checkbox"/>	<input type="checkbox"/>	Employee Retirement Income Security Act of 1974 (US)
		<i>Additional Requirements for Organizations with One Hundred Employees</i>
<input type="checkbox"/>	<input type="checkbox"/>	Federal Worker Adjustment and Retraining Notification (WARN) Act
<input type="checkbox"/>	<input type="checkbox"/>	Maine Severance Pay Law
		RECOMMENDED (FOR ALL ORGANIZATIONS)
<input type="checkbox"/>	<input type="checkbox"/>	Position Descriptions (written for staff and volunteers)
<input type="checkbox"/>	<input type="checkbox"/>	Organizational Chart
<input type="checkbox"/>	<input type="checkbox"/>	Review of all employee interview questions for legality
<input type="checkbox"/>	<input type="checkbox"/>	Process for regular salary review

yes	no	Human Resources <i>(continued)</i>
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- | | | |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Benefits Documentation |
| <input type="checkbox"/> | <input type="checkbox"/> | Human Resources Records Retention Policy |
| <input type="checkbox"/> | <input type="checkbox"/> | Standards and policies for working with contractual employees and consultants (guidelines for selection, hiring and monitoring) |

Federal Required Postings (US)

- | | | |
|--------------------------|--------------------------|----------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | EEOC Consolidated Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | OSHA Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Wage and Hour Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Employee Polygraph Protection Act Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Family Medical Leave Act Poster (employers who employ 50+ employees) |

Maine Required Postings for All Employers (ME)

- | | | |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Workers' Compensation Poster (Maine Workers' Compensation Act provides reinstatement rights of three years when the employer has over 200 employees; reinstatement rights of one year if the employer has 200 or under employees). |
| <input type="checkbox"/> | <input type="checkbox"/> | Minimum Wage Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Protection of Employees Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Regulation of Employment Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Employment-At-Will Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Employment Security Law Poster (if required to pay unemployment tax) |
| <input type="checkbox"/> | <input type="checkbox"/> | Sexual Harassment Information Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Whistleblower's Protection Act Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Child Labor Law Poster |
| <input type="checkbox"/> | <input type="checkbox"/> | Smoking Policy |

yes	no	Personnel File (for each employee)
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REQUIRED

- | | | |
|--------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Tax Forms (W-4, and annual W-2/3) (US) |
| <input type="checkbox"/> | <input type="checkbox"/> | Employment Eligibility Verification Form I-9 (kept in separate folder) (US) |
| <input type="checkbox"/> | <input type="checkbox"/> | Maine Withholding Tax Forms (ME) |
| <input type="checkbox"/> | <input type="checkbox"/> | Background Check Documentation (need for and level of check depends on job responsibilities and whether or not working with children or vulnerable adults) (ME) |

RECOMMENDED

- | | | |
|--------------------------|--------------------------|------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Documentation of Disciplinary Actions (signed by employee) |
| <input type="checkbox"/> | <input type="checkbox"/> | Performance Evaluations (signed by employee) |
| <input type="checkbox"/> | <input type="checkbox"/> | Application (signed by employee) |
| <input type="checkbox"/> | <input type="checkbox"/> | Resume |
| <input type="checkbox"/> | <input type="checkbox"/> | Emergency Form (with contact information) |

yes no

Policies and Procedures Manuals – separate and as appropriate for Personnel and Volunteers

REQUIRED

- Drug Free Workplace (federal contractors and grantees)
- Privacy of Health Information-HIPPA (US)

RECOMMENDED

Employment Policies

- EEO/AA (Equal Employment Opportunity/Affirmative Action)
- Nondiscrimination, Diversity and Harassment
- Employment at Will
- Confidentiality Policies and Procedures
- Eligibility and Classifications
- Attendance/Leave
- Code of Ethics
- Disciplinary Action and Involuntary Termination
- Conflict of Interest (including annual disclosure form)
- Reference Requests
- Personal Use of Equipment and Supplies (including email, internet and computers)
- Organizational Policies (including non-smoking and whistleblower)
- Hours Worked
- Paychecks/Expense Reimbursement
- Outside Employment
- Grievance

Benefits Policies

- Leave Policies (including jury duty, military, bereavement, leaves for victims of violence, leave of absence and family and medical leave)
- Breaks, including lunch
- Medical Benefits Continuation Privileges
- Unemployment Insurance
- Workers' Compensation
- Social Security

Informational Policies

- Inclement Weather
- Professionalism
- Office Hours and Holidays

yes no

Financial Management

REQUIRED

- IRS Form 990, IRS 990-EZ or 990 PF (if \$25,000 or more in gross annual receipts) (US)

yes	no	Financial Management <i>(continued)</i>
<input type="checkbox"/>	<input type="checkbox"/>	IRS Form 990-N (e-postcard) (required as of 2008 if less than \$25,000 in receipts) (US)
<input type="checkbox"/>	<input type="checkbox"/>	Compliance with Public Support Test (if relying on public support tests for public charity status) (US)
<input type="checkbox"/>	<input type="checkbox"/>	IRS Form 990-T (if Unrelated Business Income to report) (US)
<input type="checkbox"/>	<input type="checkbox"/>	IRS Form 1099-MISC (if paid Independent Contractor \$400 or more in calendar year) (US)
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Reimbursement policy that meets IRS “Accountable Plan” standards
<input type="checkbox"/>	<input type="checkbox"/>	Asset and Cash Management Policies and Procedures
<input type="checkbox"/>	<input type="checkbox"/>	Budgets (revenue/expenses)
<input type="checkbox"/>	<input type="checkbox"/>	Internal Control Procedures
<input type="checkbox"/>	<input type="checkbox"/>	Nonprofit Bulk-Mailing Postage Permit (if 200 or more on mailing list)
<input type="checkbox"/>	<input type="checkbox"/>	Audit Committee Policies and Procedures
<input type="checkbox"/>	<input type="checkbox"/>	Chart of Accounts
<input type="checkbox"/>	<input type="checkbox"/>	Contract Management Policies and Procedures (bidding system, contracts, evaluation and monitoring tools)
<input type="checkbox"/>	<input type="checkbox"/>	Documentation of Accounting Policies and Systems (meet Financial Accounting Standards Board (FASB) and/or Government Accounting Standards Board (GASB) requirements)
<input type="checkbox"/>	<input type="checkbox"/>	Financial Records Retention Policy
<input type="checkbox"/>	<input type="checkbox"/>	Investment Policy Statement
<input type="checkbox"/>	<input type="checkbox"/>	Spending Limits Policy
<input type="checkbox"/>	<input type="checkbox"/>	Signature Authority
		AS APPLICABLE
<input type="checkbox"/>	<input type="checkbox"/>	Maine Sales and Use Tax Exemption
<input type="checkbox"/>	<input type="checkbox"/>	Audit or Financial Review

yes	no	Fundraising
		REQUIRED
<input type="checkbox"/>	<input type="checkbox"/>	Annual Maine Charitable Solicitations Registration (including Annual Fundraising Activity Report) (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Maine Regulations for Applicable Fund Raising Events (bingo, raffles, etc.)(ME)
<input type="checkbox"/>	<input type="checkbox"/>	Prompt acknowledgment to all donors, including compliance with federal gift substantiation requirements (see IRS Publication 1771)(US)
<input type="checkbox"/>	<input type="checkbox"/>	Proof of Registration for each Contractual Fundraising Professional (ME)
<input type="checkbox"/>	<input type="checkbox"/>	Written contracts with Fundraising Consultants (submit to state) (ME)
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Donor Database
<input type="checkbox"/>	<input type="checkbox"/>	Fundraising Plan

yes no

Fundraising *(continued)*

AS APPLICABLE

Grants Management System

Copy of every proposal, acceptance/denial, evaluation, correspondence, reporting requirements, due dates

Individual Donor Requirements

Gift Acceptance and Recognition Policy (include in-kind donations, address fair market value, disposal of assets, and provision for privacy)

yes no

Transparency and Accountability

REQUIRED

IRS Determination Letter and Forms 1023, 990 and variants for the last three years (on file and publicly available) (US)

Maine Secretary of State Annual Report (ME)

Any and all amendments to Articles of Incorporations (US)

Sarbanes-Oxley Document Destruction Law (US)

RECOMMENDED

Annual Report (publicly available, distinct from Annual Report required to be filed with Maine Secretary of State)

Document Retention and Destruction Policy

Bylaws

AS APPLICABLE

Federal, state and local licenses for services provided (US/ME)

yes no

Public Policy and Advocacy

REQUIRED

Maine Lobbyist/Lobbyist Agent Registration (if lobbying at state level) (ME)

Maine Lobbyist/Lobbyist Agent Financial Report Summary (every six months) (if lobbying at state level) (ME)

Federal Lobbyist Registration (if lobbying at federal level) (US)

RECOMMENDED

IRS Form 5768 to make 501(H) Election (if conducting any lobbying)

Advocacy Policy/Plan

yes no

Communications

REQUIRED - NONE

RECOMMENDED

Communications and Public Relations Plan

Confidentiality Policies and Procedures

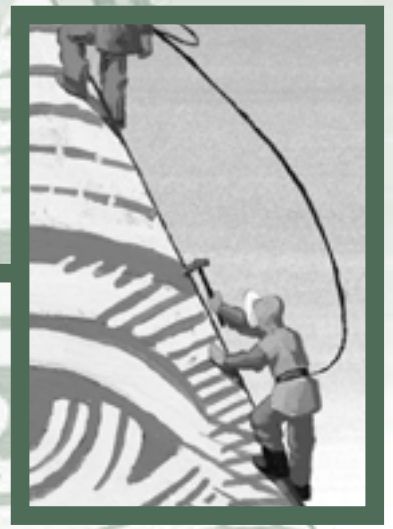
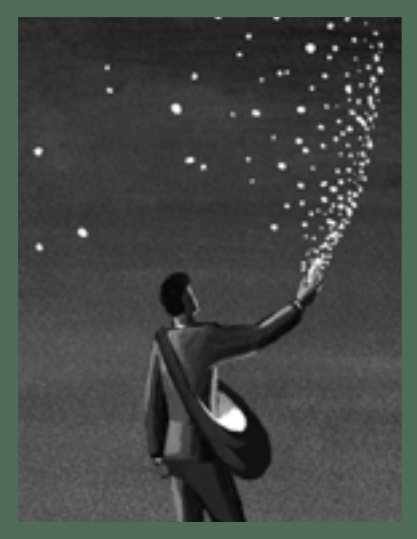
Spokesperson(s) authorized to make public statements

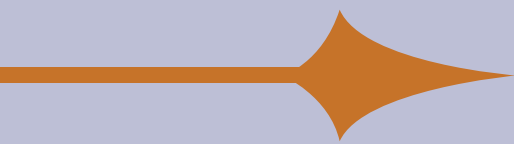
yes	no	Communications <i>(continued)</i>
<input type="checkbox"/>	<input type="checkbox"/>	Written policy and procedure for developing statements and positions on issues
<input type="checkbox"/>	<input type="checkbox"/>	All basic organizational information (Form 990, annual reports, financial statements, fees and services, board and staff members names) should be easily available

yes	no	Information and Technology
		REQUIRED - NONE
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Off-site Electronic Backup (of all data)
<input type="checkbox"/>	<input type="checkbox"/>	Surge Protectors, Virus Scans, Firewalls and Passwords (for all computers)
<input type="checkbox"/>	<input type="checkbox"/>	Funded equipment depreciation to allow for necessary tech upgrades
<input type="checkbox"/>	<input type="checkbox"/>	Website
<input type="checkbox"/>	<input type="checkbox"/>	Data Collection System (to support continuous improvement and evaluation)
<input type="checkbox"/>	<input type="checkbox"/>	Management Information Systems (MIS) Policies and Procedures, including Internet and e-mail use Policies
<input type="checkbox"/>	<input type="checkbox"/>	Spam Law Adherence Policy

yes	no	Strategic Alliances
		REQUIRED - NONE
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Memo of Agreement/Understanding (for each collaborative commitment)
		AS APPLICABLE
<input type="checkbox"/>	<input type="checkbox"/>	Accreditation Information

yes	no	Evaluation
		REQUIRED - NONE
		RECOMMENDED
<input type="checkbox"/>	<input type="checkbox"/>	Accountability and Monitoring Systems
<input type="checkbox"/>	<input type="checkbox"/>	Community Needs/Assets Assessment
		AS APPLICABLE
<input type="checkbox"/>	<input type="checkbox"/>	Environmental Scan
<input type="checkbox"/>	<input type="checkbox"/>	Formative Evaluation (opportunities to reflect on ways to improve organization and programs)
<input type="checkbox"/>	<input type="checkbox"/>	Outcome Evaluation (documentation of how the organization is making a difference)





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