



Nonprofit Formation Checklist

Step 1: Name Your Nonprofit

The name of your nonprofit should be unique and comply with your state's naming requirements.

How to complete this step:

Review your state's naming guidelines.

Check if the [domain is available](#).

Verify name availability in your state by doing a name search.

Your Nonprofit's Name:

Your Domain Name:

Step 2: Appoint a Registered Agent

A [registered agent](#) accepts official documents on behalf of your nonprofit. This can be an individual or a professional service.

How to complete this step:

Review your state's registered agent requirements.

Decide whether to appoint an individual or use a professional service.

Form your nonprofit with [Northwest](#) and receive a year of free registered agent service for just \$29 plus state filing fees.

Registered Agent's Name:

Registered Agent's Address:

Step 3: Select Your Board of Directors

Nonprofits are required to have a [board of directors](#) to oversee the organization.

How to complete this step:

Determine the minimum number of directors required by your state.

Recruit individuals who are passionate about your cause and have relevant skills.

Hold an organizational meeting to appoint directors and officers.



Step 4: File Articles of Incorporation

This document officially creates your nonprofit corporation.

How to complete this step:

- Obtain the form from your state's Secretary of State office (or relevant state agency).
- Complete the form, including your organization's name, purpose, registered agent, and incorporators.
- File the form and pay the required fee.
- Wait for state approval (this can take several weeks).

Save time and let a professional service like [Northwest Registered Agent](#) form your nonprofit for you.

Step 5: Create Bylaws

[Bylaws](#) outline the internal rules and procedures for operating your nonprofit.

How to complete this step:

- Draft bylaws that comply with state requirements.
- Include information on the board's structure, its meetings and voting procedures, and conflict of interest policies.
- Have the board approve the bylaws.

Step 6: Hold the First Board Meeting

During this meeting, you'll make important initial decisions for your nonprofit.

How to complete this step:

- Approve the bylaws.
- Elect officers.
- Adopt a conflict of interest policy.
- Authorize the opening of a bank account.

Step 7: Obtain an EIN

An [Employer Identification Number](#) (EIN) is necessary for tax purposes and opening a bank account.

How to complete this step:

- Approve the bylaws.
- Elect officers.

Your Nonprofit's EIN:



Step 8: File for 501(c)(3) Tax-Exempt Status

This step is crucial for obtaining tax-exempt status from the IRS.

How to complete this step:

Determine if you qualify to use [Form 1023-EZ](#) (only applicable to qualifying, small organizations).

If not, complete [Form 1023](#).

Gather the necessary documents, including your Articles of Incorporation, bylaws, and financial projections.

Submit the form and required fee to the IRS online.

Wait for IRS approval (this can take several months).

Important Steps After Formation

Step 1: Open a Bank Account

Opening a [bank account](#) for your nonprofit is an important step toward protecting your personal assets, keeping nonprofit and personal assets separate.

How to complete this step:

Choose the best bank account for your nonprofit.

Use your EIN and formation documents to open an account.

Step 2: Apply for State Tax Exemptions

While many states require only federal tax exemptions for nonprofits, states like California and Texas require nonprofit organizations to obtain state-specific tax exemption statuses as well.

How to complete this step:

Check with your state's tax agency for any additional required filings.

Complete and submit the necessary tax exemption filings.

Step 3: Get Nonprofit Insurance

The three most common types of nonprofit insurance your organization may need include:

- **General Liability Insurance:** This coverage protects the organization from third-party claims of bodily injury, property damage, and personal injury (e.g., libel or slander).
- **Workers' Compensation Insurance:** This provides coverage for work-related injuries or illnesses, offering medical benefits and wage replacement to employees who are injured on the job.
- **Professional Liability Insurance:** Also known as errors and omissions (E&O) insurance, this coverage protects the nonprofit against claims of negligence or failure to perform professional services.



How to complete this step:

- Determine the types of nonprofit insurance you need.
- Review nonprofit insurance providers.
- Get a free online quote.
- Purchase appropriate insurance policies.

Step 4: Register for Charitable Solicitation

If you plan to fundraise, you must register in states where you'll solicit donations.

How to complete this step:

- Determine the requirements for your state.
- Complete and submit filings along with any applicable filing fees.
- Renew your registration, as required, by the state.

Keep Your Nonprofit Compliant

Step 1: File Annual Returns

Annual filings are crucial for maintaining your nonprofit's tax-exempt status and demonstrating transparency to donors and regulators.

How to complete this step:

- Submit [Form 990](#) to the IRS annually.
- Comply with state annual reporting requirements.

Step 2: Obtain Necessary Licenses and Permits

Depending on your nonprofit's activities and location, you may need specific licenses or permits to operate legally.

How to complete this step:

- Research requirements specific to your activities and location.
- Apply for and maintain all required licenses and permits.

Visit [NonprofitQuest](#) for more guides, tools, and resources on starting and managing a nonprofit organization.