

A large yellow circle with a white border containing the number "10" in a white, sans-serif font.

## Success Tips for New Nonprofit Organizations

1. Each board member must understand their role and responsibilities and make time to fulfill the obligation.
2. Board members have a fiduciary responsibility (position of trust) to ensure proper financial and ethical oversight. Remember the three legal duties:
  - Duty of Care: Directors and officers must perform their duties in good faith and in a manner they reasonably believe to be in the best interest of the organization.
  - Duty of Loyalty: Directors must put the organization first. Refrain from engaging in personal activities that take advantage of the organization.
  - Duty of Obedience: Directors are required to perform duties in accordance with applicable laws, statutes and terms of the organization's charter and bylaws.
3. Ensure annual reporting to the IRS. Failure to do so jeopardizes 501(c)(3) status.
4. Keep good records and maintain financial records for 7 years including: financial statements, bank statements, checks, deposit slips, receipts, invoices, etc.
5. Permanent records to keep include: articles of incorporation or charter, Form 1023 Application for Tax Exemption, EIN (employer identification number), IRS Letter of Determination, Sales Tax Exemption letter, and current Bylaws.
6. Stay away from political activities.
7. Do not engage in lobbying.
8. Provide written job descriptions for all officers, directors and employees.
9. Evaluate the nonprofit's work to determine the effectiveness of its programs and services.
10. Have fun. Enjoy the journey. Make a difference.

Contact us for information about training for your nonprofit organization  
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