

Nonprofits don't run on good intentions alone. They run on the right documents, met deadlines, and someone who actually knows which compliance tasks belong to them.

This audit works for both executive directors and board members. EDs can use it to find gaps and put systems in place to close them. Board members can use it to understand what solid nonprofit operations actually look like — and which questions are worth asking.

Work through both sections at least once a year. If you find gaps, don't panic — that's the point. Use this to figure out what needs fixing, not to grade yourself.

How to use this audit:

The document checklist uses checkboxes — check each item your organization currently has in place, documented, and accessible. The compliance table notes frequency and ownership. If a cell is blank in your mind, that's a gap. Write it down.

Part 1: Must-Have Documents

Every nonprofit should have the following documents on file, up to date, and accessible to leadership. Check each one you can locate right now.

Legal & Formation

- Articles of incorporation (state-filed)
- Certificate of incorporation or charter from the state
- IRS determination letter granting 501(c)(3) status
- State charitable solicitation registration (if required in your state)
- Federal Employer Identification Number (EIN) confirmation
- Any DBA (doing business as) registrations
- Registered agent designation, current and on file with the state

Governance

- Current bylaws — dated, adopted by the board, accessible
- Conflict of interest policy — signed annually by all board members and key staff
- Whistleblower protection policy
- Document retention and destruction policy
- Confidentiality policy
- Gift acceptance policy
- Board member job description
- Current board roster with contact information and term dates
- Board meeting minutes for at least the past three years
- Committee charters or written descriptions of committee roles
- Executive director job description and current employment agreement

Financial

- Most recent audited financial statements or financial review
- Current year operating budget, board-approved
- Fiscal policies and procedures manual
- Signatory authority and check-signing policy
- Investment policy (if the organization holds reserves or an endowment)

- IRS Form 990 for each of the past three years
- State tax filings and exemption certificates as applicable
- Most recent bank reconciliations
- Credit card and expense reimbursement policy
- Chart of accounts and current financial statements

HR & Employment

- Employee handbook, current and distributed to all staff
- Job descriptions for all current positions
- Current offer letters or employment agreements for all staff
- I-9 forms for all employees, completed and on file
- W-4 forms and payroll records
- Workers' compensation coverage documentation
- State unemployment insurance registration
- Personnel files for all current and recently separated employees
- Performance review process or documentation
- PTO, leave, and remote work policies
- Anti-harassment and non-discrimination policies
- Volunteer agreement or waiver, if applicable

Programs & Operations

- Program descriptions and current logic models or theory of change
- Current strategic plan
- Grants management tracker with funder requirements and deadlines
- Active contracts and MOUs with partners, vendors, and funders
- Client/participant intake forms, consent forms, and data policies
- Facilities lease or ownership documents
- Technology and data security policy
- Social media and media relations policy
- Crisis communication or emergency response plan

Insurance

- General liability insurance, current certificate on file
- Directors and officers (D&O) liability insurance
- Employment practices liability insurance (EPLI)
- Workers' compensation insurance
- Property insurance (if applicable)
- Cyber liability insurance (increasingly essential)
- Vehicle insurance (if organization owns or regularly uses vehicles)

On D&O insurance:

Directors and officers insurance protects individual board members from personal liability related to their governance decisions. Many volunteers do not know it exists — or that they could be personally exposed without it. Every board should have it, and every new board member should be told about it at orientation.

Part 2: Annual Compliance & Regulatory Requirements

The following tasks represent the core compliance obligations most 501(c)(3) organizations face each year. Requirements vary by state, organizational size, and funding sources — this list covers the common baseline. Review with your accountant and attorney for jurisdiction-specific requirements.

● Annual	● Monthly	● Quarterly	● Ongoing	● As needed	● Biennial	● Varies
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Legal & Government Filings

Item	Frequency	Owned by	Notes
IRS Form 990 (or 990-EZ / 990-N)	Annual	ED / Accountant	Due 4.5 months after fiscal year end; extensions available
State charitable solicitation registration renewal	Annual	ED	Varies by state; ~40 states require registration
State annual report / corporate report	Annual	ED	Filing with Secretary of State to maintain good standing
State nonprofit tax return (if required)	Annual	Accountant	Not all states require; check with your CPA
Registered agent address confirmation	Annual	ED	Must be current with the state at all times
Multi-state solicitation registrations (if fundraising out of state)	Annual	ED	Required if soliciting donors in other states

Financial & Audit

Item	Frequency	Owned by	Notes
Annual audit or financial review	Annual	Board / ED	Audit typically required by funders over ~\$500K revenue
Board approval of annual budget	Annual	Board	Before or at the start of each fiscal year
Board review of financial statements	Monthly	Board / Treasurer	At minimum quarterly; monthly is better practice
Bank account reconciliation	Monthly	Finance staff	Every account, every month, reviewed by someone other than preparer
Payroll tax deposits (federal and state)	Monthly	Finance staff	Frequency depends on payroll size; IRS penalties are steep
Payroll tax returns (Form 941)	Quarterly	Accountant	Federal quarterly filing for all employers
Annual payroll filings (W-2s, 1099s)	Annual	Accountant	Due January 31 for prior year
Review of internal financial controls	Annual	Board	Often conducted as part of audit; board should review findings
Investment portfolio review (if applicable)	Quarterly	Board	Finance or investment committee should review performance

HR & Employment

Item	Frequency	Owned by	Notes
Employee handbook review and update	Annual	ED / HR	Review for legal compliance; redistribute to all staff
Staff performance reviews	Annual	ED / Supervisors	At minimum annually; document and retain in personnel files
Workers' compensation audit	Annual	ED	Insurance carrier typically conducts; based on payroll data
OSHA compliance review (if applicable)	Annual	ED	Required for orgs with employees; posting requirements year-round
I-9 audit — verify forms are complete and current	Annual	ED / HR	Reverify expiring work authorizations; purge terminated employee forms per policy
Benefits enrollment / renewal	Annual	ED	Health, dental, retirement plan renewal and open enrollment
Retirement plan compliance (if applicable)	Annual	Accountant	Form 5500 required for plans with 100+ participants
Unemployment insurance rate review	Annual	ED	State rates reset annually; check for credits or adjustments
Anti-harassment training	Annual	ED / HR	Required in several states; best practice everywhere

Governance

Item	Frequency	Owned by	Notes
Board conflict of interest disclosure	Annual	Board Chair / ED	Every board member signs annually; retain signed forms
Board self-assessment	Annual	Board Chair	Full board; can be done via survey or facilitated discussion
Executive director performance review	Annual	Board	Board's core accountability function; document formally
ED compensation review and approval	Annual	Board	Required by IRS for rebuttable presumption of reasonableness
Board roster and term tracking update	Annual	ED / Board Chair	Track terms, expiration dates, and succession needs
Review and update board committee charters	Annual	Board Chair	Confirm committees are current and appropriately staffed
Bylaws review	As needed	Board	Formally review every 3–5 years or after major changes

Fundraising & Funder Compliance

Item	Frequency	Owned by	Notes
Grant reporting – interim and final reports	Ongoing	ED / Programs	Track deadlines in a grants calendar; late reports jeopardize renewals
Grant compliance review (restrictions, allowable expenses)	Ongoing	ED / Finance	Restricted funds must be tracked and spent per award terms
Donor acknowledgment letters (gifts over \$250)	Ongoing	ED / Development	IRS requires written acknowledgment for gifts of \$250 or more
Annual fund audit trail – receipts and acknowledgments	Annual	Finance / Dev	Ensure every gift has a receipt and acknowledgment on file
Quid pro quo disclosure statements	Ongoing	Finance / Dev	Required when donors receive goods/services in exchange for gifts
State fundraising registration renewal	Annual	ED	Same as charitable solicitation – confirm all active states

Insurance & Risk

Item	Frequency	Owned by	Notes
Insurance coverage review	Annual	ED / Board	Confirm all policies are current and limits are appropriate
D&O policy renewal and board notification	Annual	ED	Notify board of coverage, limits, and renewal at least annually
General liability certificate of insurance on file	Annual	ED	Required by most landlords, partners, and event venues
Facilities safety inspection	Annual	ED	Fire exits, equipment, first aid; document and address findings
Data security and privacy review	Annual	ED	Review access controls, passwords, data retention practices
Crisis communication plan review	Annual	ED / Board Chair	Confirm contacts are current and plan is known to key staff

A note on legal and regulatory requirements:

This checklist reflects common requirements for 501(c)(3) organizations operating in the United States. Specific obligations vary by state, organizational size, revenue, funding sources, and sector. This document is for educational purposes only and does not constitute legal or accounting advice. Work with your attorney and CPA to confirm what applies to your organization.

Want help working through this audit or addressing gaps your organization has found?

Book a free 30-minute discovery call at www.spiegelconsulting.com – or reach Noah directly at noah@spiegelconsulting.com or 615-997-0944.