



Starting a Nonprofit Organization in Delaware - Checklist

Phase 1: Explore

- Learn about existing services in the geographic and subject areas in which you plan to work
- Review alternatives to creating a new nonprofit, such as:
 - Volunteering or working for an existing organization
 - Establish a local chapter of a national or regional organization
 - Approach an existing organization with your program and resources
 - Utilize a fiscal agent to manage your finances so that you are able to take tax-deductible donations without receiving 501(c)(3) status from the IRS
 - Delaware Community Foundation
(302) 504-5224
www.delcf.org
 - Fiscal Sponsor Directory
www.fiscalsponsordirectory.org

Phase 2: Organize

- Create a mission statement
- Develop a fundraising/business plan
 - Additional resources can be found at GrantSpace:
<http://grantspace.org/Tools/Knowledge-Base/Nonprofit-Management/Establishment/business-plans>
- Draft bylaws
 - Delaware does not require a copy of an organization's bylaws, but they must be attached to the federal tax exemption application
- Select a Board of Directors and elect officers
- File Articles of Incorporation with Delaware Division of Corporations in order to establish status as a non-stock corporation.
 - Application: <http://corp.delaware.gov/incnstk.pdf>
 - More information: <http://corp.delaware.gov/howtoform.shtml>
- Obtain Federal Employer Identification Number (EIN) from the IRS
 - <https://sa2.www4.irs.gov/modiein/individual/index.jsp>
- Hold organizational meetings

Phase 3: Obtain Federal Tax-Exempt Status

- Complete and File Form 1023 OR 1023-EZ

Form 1023	Form 1023-EZ
For organizations with gross receipts of <u>more than</u> \$50,000 or assets of more than \$250,000.	For organizations with gross receipts of <u>less than</u> \$50,000 and assets of less than \$250,000, that also meet the additional restrictions. This application must be completed online.
<ul style="list-style-type: none">• Instructions: http://www.irs.gov/pub/irs-pdf/i1023.pdf• Form: http://www.irs.gov/pub/irs-pdf/f1023.pdf• FAQs: http://www.irs.gov/charities/article/0,,id=130101,00.html	<ul style="list-style-type: none">• Overview: http://www.irs.gov/uac/About-Form-1023EZ• Instructions & Restrictions: http://www.irs.gov/pub/irs-pdf/i1023ez.pdf• Pay.gov: https://pay.gov/paygov/accounts/selfEnrollmentRob.html

Phase 4: Register for Property Tax Exemptions, if the organization will hold real property (ex: land or building)

- New Castle County (302-571-7500)
- Kent County (302-736-2000)
- Sussex County (302-855-7700)

Phase 5: Maintain Status

- Annual filing with Secretary of State's office, the "Franchise Fee"
- Form 990-N, 990-EZ, or 990 based on annual gross receipts
 - o <http://www.irs.gov/charities/index.html>
- Visit <http://www.stayexempt.irs.gov/> for additional details

Phase 6: If you have employees or independent contractors...

- Pay state employment and unemployment taxes
- Pay federal employment taxes
- Pay worker's compensation insurance
- Display required posters

Phase 7: Obtain Proper Insurance

- Assess property and liability insurance needs for the organization
- Directors & Officers coverage is needed for all nonprofit organizations

Phase 8: Learn more about nonprofit management

- www.delawarenonprofit.org DANA's Website and Resources
- Join the Delaware Alliance for Nonprofit Advancement
- Attend classes
- Use technical assistance services