

*“If you have built castles in the air, your work need not be lost. That is where they should be. Now put the foundation under them.”*

*Henry David Thoreau*

# Basic Infrastructure Checklist

*For registered nonprofit organizations in Michigan*

The following list outlines the foundation for your organization—documentation, systems and support mechanisms that will enhance accountability, sustainability and effectiveness. Generally, recommendations are applicable to small grassroots organizations as well as to large, multi-site networks. Take some time to examine your files and make sure this foundation is complete. Review the list and note where individual items are located. If something is missing, find it or implement a process to create and/or secure it.

This is not a task of “busy work.” Much of this information is needed to receive grant funding, as well as to demonstrate to the public, your clients, and prospective donors that you mean business. Some of these items are state or federal requirements: failure to comply with regulations may mean that you unexpectedly shut your doors for good. And, in a time of increased accountability and public scrutiny, it can only help an organization to ensure its ability to answer questions quickly and accurately regarding its operations.



**Michigan Nonprofit Association**

# Basic Infrastructure Checklist

For registered nonprofit organizations in Michigan

Yes	No	Planning
<input type="checkbox"/>	<input type="checkbox"/>	Mission Statement
<input type="checkbox"/>	<input type="checkbox"/>	Operational/Strategic Plan (including system to monitor progress)
<input type="checkbox"/>	<input type="checkbox"/>	Vision Statement
Yes	No	Governance
<input type="checkbox"/>	<input type="checkbox"/>	Articles of Incorporation
<input type="checkbox"/>	<input type="checkbox"/>	Audit Committee Policies and Procedures
<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"/>	Bylaws (include board liability and indemnification language)
<input type="checkbox"/>	<input type="checkbox"/>	Committee Descriptions (purpose, structure, goals and activities)
<input type="checkbox"/>	<input type="checkbox"/>	Compensation Documentation (executive and other staff)
<input type="checkbox"/>	<input type="checkbox"/>	Conflict of Interest Policy and Procedures
<input type="checkbox"/>	<input type="checkbox"/>	Disaster Recovery Plan
<input type="checkbox"/>	<input type="checkbox"/>	Executive Evaluation Plan
<input type="checkbox"/>	<input type="checkbox"/>	Leadership Succession and Transition Plan (volunteer leadership and staff executive)
<input type="checkbox"/>	<input type="checkbox"/>	Liability Insurances (Director and Officer; General, Volunteer, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	Michigan Sales and Excise Tax Exemption
<input type="checkbox"/>	<input type="checkbox"/>	Orientation, Training and Evaluation Plans (board members)
<input type="checkbox"/>	<input type="checkbox"/>	Risk Evaluation and Management Systems
Yes	No	Human Resources
<input type="checkbox"/>	<input type="checkbox"/>	Benefits Documentation
<input type="checkbox"/>	<input type="checkbox"/>	Compliance with State and Federal Laws
<input type="checkbox"/>	<input type="checkbox"/>	Criminal and Driving Records
<input type="checkbox"/>	<input type="checkbox"/>	Fair Labor Standards Act
<input type="checkbox"/>	<input type="checkbox"/>	Human Resources Records Retention Policy
<input type="checkbox"/>	<input type="checkbox"/>	Michigan/Federal Required Postings (OSHA)
<input type="checkbox"/>	<input type="checkbox"/>	Organizational Chart
<input type="checkbox"/>	<input type="checkbox"/>	Position Descriptions (written for staff and volunteers)
<input type="checkbox"/>	<input type="checkbox"/>	Standards and Policies for working with Contractual Employees and Consultants (guidelines for selection, hiring and monitoring)
Yes	No	Personnel File (for each employee)
<input type="checkbox"/>	<input type="checkbox"/>	Application with Original Employee Signature
<input type="checkbox"/>	<input type="checkbox"/>	Documentation of Disciplinary Action
<input type="checkbox"/>	<input type="checkbox"/>	INS Documentation (Immigration and Naturalization Services: note changes due to Patriot Act and Homeland Security)
<input type="checkbox"/>	<input type="checkbox"/>	Performance Evaluations
<input type="checkbox"/>	<input type="checkbox"/>	Tax Forms (I-9 and W-4)
<input type="checkbox"/>	<input type="checkbox"/>	Resume
<input type="checkbox"/>	<input type="checkbox"/>	Reference Check Documentation
<input type="checkbox"/>	<input type="checkbox"/>	Other Conditions for Employment – documentation (drug test results, certifications, etc.)

Yes

No

**Policies and Procedures Manuals**

*Separate and appropriate for Personnel and Volunteers (individual signatures of understanding and acceptance) – a list of possible and recommended contents follows:*

- Attendance/Leave
- Code of Ethics
- Confidentiality Policies and Procedures
- Conflict of Interest (including disclosure of relationships)
- EEO/AA (Equal Employment Opportunity/Affirmative Action)
- Eligibility and Classifications
- Expense Reimbursement
- Grievance
- Nondiscrimination, Diversity and Harassment
- Orientation, Training and Evaluation (staff and volunteers)
- Technology/Equipment Access and Use
- Whistleblower (confidential reporting of alleged impropriety)

Yes

No

**Financial Management**

- Asset and Cash Management Policies and Procedures
- Audit Committee Policies and Procedures
- Budgets (revenue/expenses)
- Bulk-rate Postage Permit
- Chart of Accounts
- Contract Management Policies and Procedures (bidding system, contracts, evaluation and monitoring tools)
- Documentation of Accounting Policies and Systems (meet Financial Accounting Standards Board (FASB) and/or Government Accounting Standards Board (GASB) requirements)
- Financial Records Retention Policy
- Internal Control Procedures
- Investment Policy Statement
- IRS Determination Letter and Form 1023 on file
- IRS Form 990 or IRS 990-EZ (to be filed by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the end of your fiscal year)
- Nonprofit Corporation Information Update (to be filed annually on October 1, due at MI Department of Labor and Economic Growth, Corporation Division)
- Payroll – federal, state and local quarterly withholdings/filings
- Spending Limits Policy
- Signature Authority
- UBIT (Unrelated Business Income Tax) Reporting
- Whistle Blower Policy (confidential process for reporting suspected financial fraud)

Yes

No

**Fundraising**

- Case Statement
- Donor Database (contributions/restrictions)
- Donor Recognition Plan (include provisions for privacy)
- Fund Development Plan

<b>Yes</b>	<b>No</b>	<b>Fundraising (continued)</b>
<input type="checkbox"/>	<input type="checkbox"/>	Gift Acceptance and Recognition Policy (include in-kind donations, address fair market value and disposal of assets)
<input type="checkbox"/>	<input type="checkbox"/>	Grants Management System
<input type="checkbox"/>	<input type="checkbox"/>	Copy of every proposal, acceptance/denial, evaluation, database, correspondence
<input type="checkbox"/>	<input type="checkbox"/>	Reporting requirements, due dates
<input type="checkbox"/>	<input type="checkbox"/>	Individual Donor Requirements
<input type="checkbox"/>	<input type="checkbox"/>	Michigan Charitable Solicitation License
<input type="checkbox"/>	<input type="checkbox"/>	Michigan Regulations for Applicable Fund Raising Events (Bingo, Raffles, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	Registration (documentation) for each Contractual Fund Development Professional (submit to state with contracts)
<b>Yes</b>	<b>No</b>	<b>Transparency and Accountability</b>
<input type="checkbox"/>	<input type="checkbox"/>	Annual Report (publicly available)
<input type="checkbox"/>	<input type="checkbox"/>	Communications and Public Relations Plan
<input type="checkbox"/>	<input type="checkbox"/>	Confidentiality Policies and Procedures (all constituents)
<input type="checkbox"/>	<input type="checkbox"/>	Document Retention and Destruction Policy
<input type="checkbox"/>	<input type="checkbox"/>	Forms 1023, 990 and variants (publicly available)
<input type="checkbox"/>	<input type="checkbox"/>	Marketing Plan
<b>Yes</b>	<b>No</b>	<b>Public Policy and Advocacy - Communications</b>
<input type="checkbox"/>	<input type="checkbox"/>	501 (h) Election
<input type="checkbox"/>	<input type="checkbox"/>	Advocacy Policy/Plan
<input type="checkbox"/>	<input type="checkbox"/>	Michigan Lobbyist/Lobbyist Agent Registration
<input type="checkbox"/>	<input type="checkbox"/>	Michigan Lobbyist/Lobbyist Agent Financial Report Summary (every six months)
<b>Yes</b>	<b>No</b>	<b>Information and Technology</b>
<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
<b>Yes</b>	<b>No</b>	<b>Strategic Alliances</b>
<input type="checkbox"/>	<input type="checkbox"/>	Accreditation Information (as applicable)
<input type="checkbox"/>	<input type="checkbox"/>	Memo of Agreement/Understanding for each collaborative commitment
<b>Yes</b>	<b>No</b>	<b>Evaluation</b>
<input type="checkbox"/>	<input type="checkbox"/>	Accountability and Monitoring Systems in place
<input type="checkbox"/>	<input type="checkbox"/>	Community Needs/Assets Assessment
<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

*This checklist is a compilation of many documents and resources with significant feedback from nonprofit practitioners and consultants throughout the state of Michigan. We appreciate the collective wisdom of those willing to share their experience and insight. For further information on any of these areas, contact the Michigan Nonprofit Association or any of the Management Support Organizations found online at [www.mnaonline.org](http://www.mnaonline.org).*

*A complete glossary of nonprofit terms can be found at [www.nonprofitbasics.org](http://www.nonprofitbasics.org) (Johnson Center for Philanthropy and Nonprofit Leadership).*