

“Taking Care of Business”

A Checklist of Questions for Master Gardener Nonprofit Corporations
Prepared by Barb Adams, CPA

Nonprofit corporations must comply with Federal and State regulations and reporting requirements. Many of these are complex and change frequently so it is important to understand the requirements applicable to your organization and to stay current with the changes. The following questions are designed to help you identify areas that may need action on your part to ensure your Master Gardener organization is in compliance. These questions are not all inclusive and if you have additional questions or concerns, you should consult the regulatory agency, attorney or tax advisor.

- Have you obtained and reviewed the latest edition of the handbook “How to Form and Maintain a Nonprofit Corporation in Washington State”. Copies are available through the King County Bar Association, <http://www.kcba.org/>, at 900 Fourth Ave, Suite 600, Seattle, WA, 98164-1060. Cost at as of 2003 was \$5. For more information call (206) 624-9365 or fax them at (206) 383-1270. It may also be viewed on-line at <http://www.wsba.org/businesslaw/publication/NPHandbook.doc>.
In addition, see Title 24 RCW – Washington Nonprofit Corporations Act, for all state requirements <http://www.leg.wa.gov/rcw/index.cfm?fuseaction=title&title=24> .
- Do you have the following documentation that Washington State RCW 24.03.135 requires every corporation to keep at its registered office?
 1. Current Articles of Incorporation and Bylaws
 2. Record of Membership including names, addresses and classes of membership, if any [See the nonprofit handbook to determine if you are a membership organization]
 3. Correct and adequate records of financial activity
 4. List of current officer’s and director’s names and addresses
 5. Copies of all minutes of board, membership or board committee meetings
- Are your filings with the Corporations Division of the Secretary of State current and accurate? Refer to <http://www.secstate.wa.gov/corps>
 1. Duly registered Articles of Incorporation, and all amendments. Hint: The face of the documents will have the official Secretary of State stamp.
 2. Nonprofit Corporation Annual Report – due each year at the end of the month your organization was incorporated.
 3. Change in the corporate Registered Agent - Hint: Report new agent’s information on the nonprofit corporation annual report to save additional \$10 filing fee for reporting information separately. Refer to <http://www.leg.wa.gov/RCW/index.cfm?fuseaction=section§ion=24.03.055>
- If you are conducting charitable solicitations, are you registered with the Secretary of State Charities Division and meeting annual filing requirements? Refer to <http://www.secstate.wa.gov/charities>. Plant sales and similar activities are considered charitable solicitations. See the nonprofit handbook Chapter VI for clarification.
- Have your Articles of Incorporation and Bylaws, and any amendments, been filed with the Internal Revenue Service?

- Do you have an IRS Determination Letter, or advance ruling, establishing your tax exempt status as a 501(c)(3) organization in your files? Be sure you understand whether you are a public charity or a private foundation as stated in your Determination Letter.
- Do you have annual financial filing requirements with the Internal Revenue Service? For example, as of 2003, exempt organizations (not a private foundation) having gross receipts in each tax year that normally are more than \$25,000 file an IRS form 990.

Additional considerations for your board of directors:

- Has the Board of Directors considered the need for Director's and Officer's insurance? For information regarding Directors and Officers Risk and Obligation, consult Part Two, Section III of the nonprofit handbook. Consult with your local insurance professional about your needs and rates.
- Is there a general indemnification clause in the Articles of Incorporation? See the nonprofit handbook, Part II, Section III D. Each MG nonprofit must obtain their own legal counsel. WSU attorneys cannot provide legal advice to your nonprofit.
- Do you provide **annual training to the officers** of your nonprofit including:
 - a) Regulatory filing requirements of the Corporation
 - b) Overview of IRS regulations for nonprofits: for example, restrictions on lobbying and excess benefit transactions to persons having substantial influence over the affairs of the organization (e.g. board members), etc.
 - c) Review of the handbook "How to Form and Maintain a Nonprofit Corporation in Washington State?" mentioned above, especially the Table of Contents plus Part II, Section III and IV.
 - d) Review of contracts or Memorandum of Agreement documents with WSU and other partners.
 - e) Periodic review of Articles of Incorporation and Bylaws
- Have you considered storing copies of your vital organizational documents in a centralized location to minimize loss from periodic personnel changes within your organization? Hint: Store these documents at your local WSU Cooperative Extension Office

For additional information and resources refer to the web site of the Master Gardener Foundation of Washington State, <http://mastergardener.wsu.edu/mgfws/mgfws.html>.