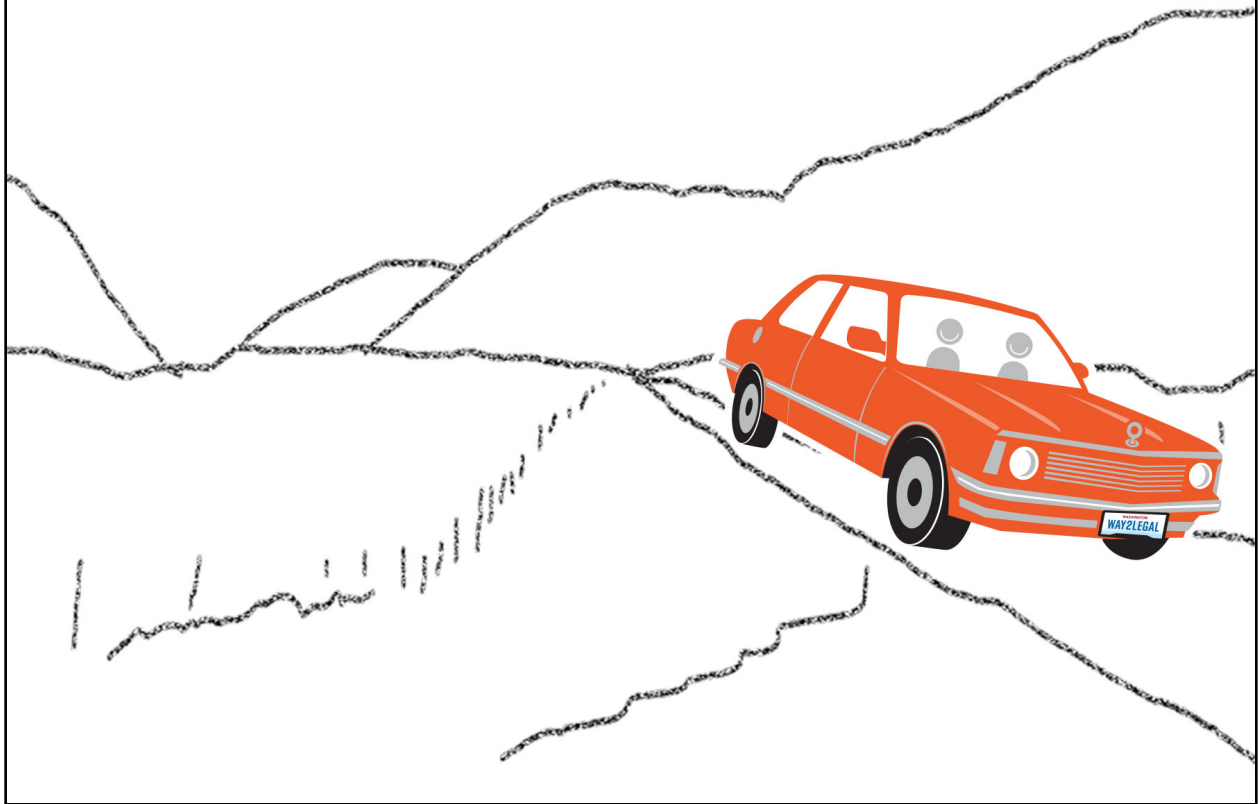


LET'S GO LEGAL!

The right road to compliance and protection



Let's Go Legal was created by Washington Nonprofits and Wayfind to provide basic nonprofit legal education to nonprofits in Washington. The legal information is not legal advice and should not be treated as such. Please consult an attorney for information related to the circumstance of your organization.

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Let's Go Legal was developed through a collaboration between Wayfind and Washington Nonprofits, in partnership with the Office of the Secretary of State of Washington.

These materials accompany videos and are supported by key documents. Visit the Let's Go Legal webpage for more:

www.washingtonnonprofits.org/letsgolegal

Wayfind

A nonprofit with a mission to improve the quality of life in Washington by providing free business legal services for nonprofits and microenterprises.

www.wayfindlegal.org

If Let's Go Legal leads you to think you need legal assistance, contact Wayfind to learn more about their free legal assistance for nonprofits.

Washington Nonprofits

Our state association for all nonprofits, Washington Nonprofits makes sure that nonprofits have what they need to succeed.

www.washingtonnonprofits.org

Washington Nonprofits creates regular learning opportunities for nonprofits across Washington. We have a set of learning tools available to individuals and boards looking to improve their practice.

Let's Go Legal is the third in a series of nonprofit learning resources. Some of the topics covered here connect with topics covered in these other resources.



Boards in Gear

Unlocking the Why, What, Who, and How of Nonprofit Boards

www.washingtonnonprofits.org/boardsingear



Finance Unlocked for Nonprofits

Unlocking financial literacy for nonprofit board members to deliver mission and protect assets

www.washingtonnonprofits.org/fun

Let's Go Legal was guided by a team of legal advisors. We greatly appreciate their contribution to these resources. Their contribution should not be viewed as legal advice.

- Brenda Tausch Lapora, Wayfind
- Jodi Nishioka, Wayfind
- Judy Andrews, The Apex Law Group, LLP
- Nancy Stephens, Foster Pepper
- Taylor Ball, Davis Wright Tremaine LLP

Our creative partner was Catharine Gately, Cantadora Communications.

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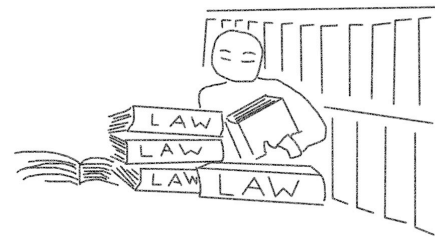
nancy@washingtonnonprofits.org

www.washingtonnonprofits.org

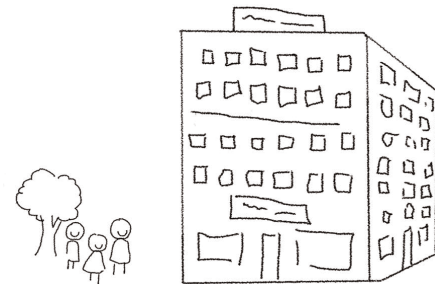
(855)299.2922

As you begin, keep in mind these four big ideas:

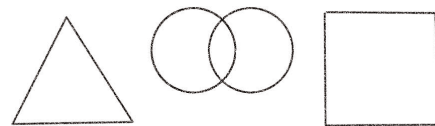
1. **Nonprofit law is complicated**, and only an attorney with knowledge of your specific situation can counsel you. These training materials are intended to deepen your understanding and help you know what to ask. These materials are not intended to be legal advice. Please see an attorney for answers to specific questions. Wayfind provides pro-bono legal services.



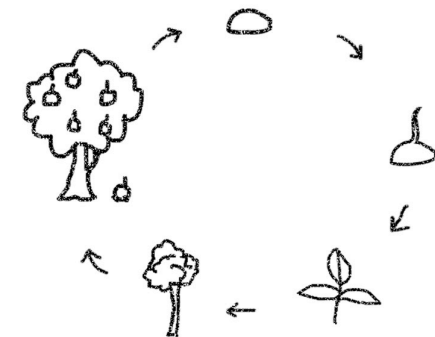
2. **Even though you are a nonprofit, you are required legally to operate like a corporation.** Once a nonprofit becomes official in the eyes of the state, it is a corporation governed by corporate law, and you need to protect that status.



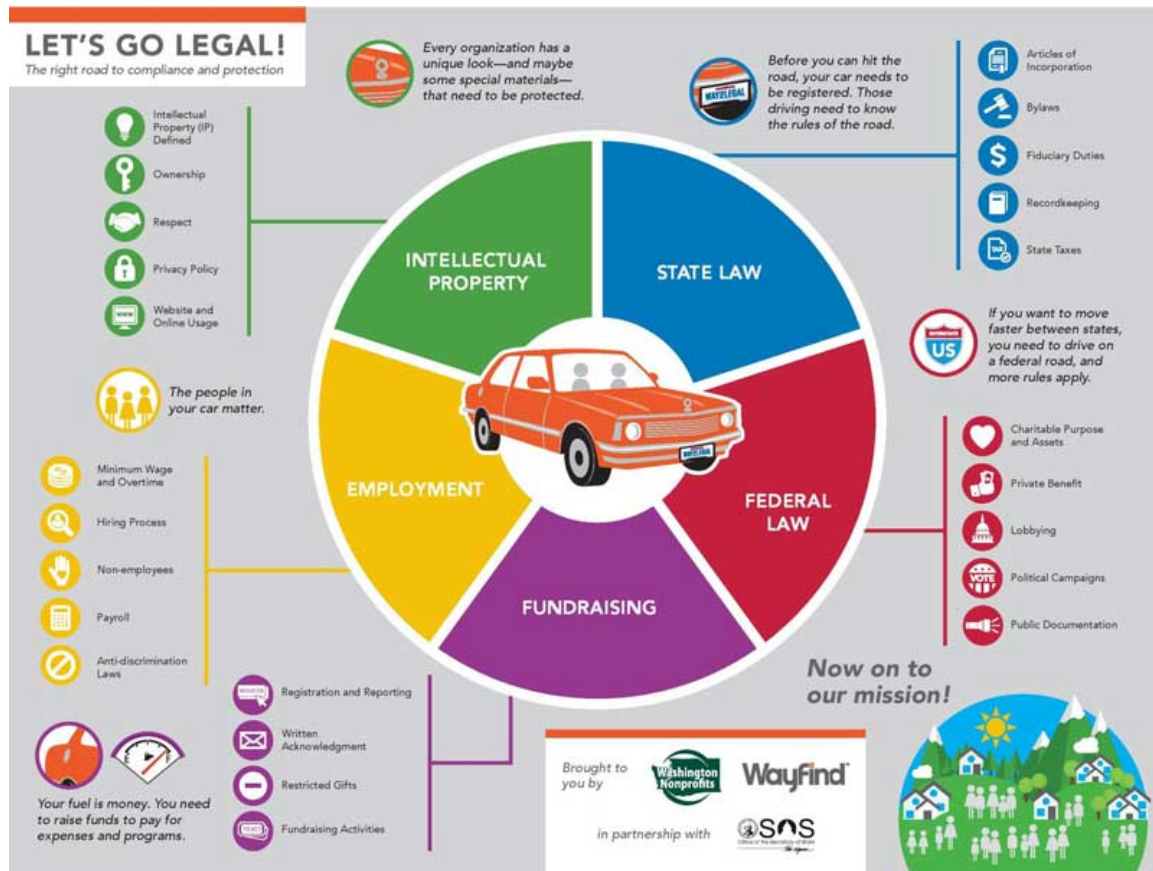
3. **There are three legal jurisdictions you must always consider: Local, State and Federal.** These materials review Washington State Law and Federal Law rules. Consult your local jurisdiction (city, town, or county) for more information about business licenses and other local requirements.



4. **Organizations have life cycles, just like any living thing.** They are created, they grow, they plateau, and sometimes they die. The legal needs of an organization's board and staff are guided by where that organization is in its life cycle and what is happening around it.



OVERVIEW



These materials cover the five most important topics related to nonprofit compliance:

1. Governance – State Law



We begin with State Law because that is where a nonprofit first registers to become official. The Articles of Incorporation are filed to create the corporation and the board adopts Bylaws and sets out its plan to monitor money and keep records. It stays compliant with state corporation law and other state law requirements, including filing corporation and charity reports every year.

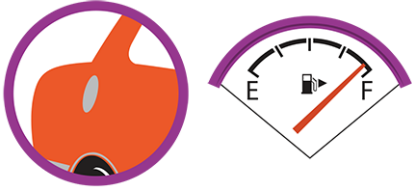
2. Governance – Federal Tax Law



Many nonprofit organizations want their revenue to be exempt from federal income taxation and want to be able to accept tax-deductible funds from foundations or individuals. This means they need to apply for special status from the IRS at the Federal Level. We call such tax exempt status, “501(c)(3) tax-exemption” and refer to organizations with this tax-exempt status “501(c)(3) organizations” because those

qualities for exemption are described in section 501(c)(3) of the tax code. Tax-exempt organizations must abide by a set of federal tax rules under section 501(c)(3).

3. Fundraising



When you accept other people's money for a charitable purpose, you agree to abide by laws that require that you spend such money on the purposes for which it was intended. These state and federal rules tell us how we need to communicate about money received, how we should account for it, and what kinds of fundraising activities we can conduct.

4. Employment Law



People engaged in the work of an organization help it move its mission forward. They also bring with them a whole set of rules that govern how they should be hired, paid, deployed, and treated.

5. Intellectual Property Law



Nonprofits create and communicate ideas that are intangible. It is vital that organizations protect these ideas and the products that share them, from websites, to print materials, to unique research on the issues they are addressing. Likewise, it is important that nonprofits are careful about how they use the ideas of others.

These materials are just a start. We have provided examples of policies and additional resources so that you can customize this information to your organization.

VOCABULARY

1. PERSON: Director, Board member, or Trustee?

While there are clear distinctions in the meaning of the words themselves, for the sake of clarity, this guide uses director, board member or trustee in the context of a nonprofit board interchangeably, or as the same. The term refers to the people on the governance team of an organization.

2. ORGANIZATION: Nonprofit, Charity, or 501(c)(3)?

This guide covers a range of organizations serving the public good. Let's review the types of organizations to be clear what we are talking about.

Nonprofit (or nonprofit corporation): An organization created for a public benefit without shareholders or a profit motive. CPAs often call these organizations "Not-for-profits" to underscore that their purpose is something other than profit; a profit can be earned and returned into the organization. Nonprofit status is determined under state law. A nonprofit registers with the Washington Secretary of State as a corporation, called "incorporation."

Charitable corporation: A nonprofit may also need to register with the Washington Secretary of State as a "Charity" when it is asking people for donations to support its charitable purposes. It is required to do so if it is either raising at least \$50,000 in any accounting year or paying someone to do the work of the organization.

Tax-exempt organization: A nonprofit corporation that has been approved by the Internal Revenue Service (IRS) is called "tax exempt." Organizing as a nonprofit corporation at the state level does not automatically grant the organization exemption from federal income tax. Tax-exempt status exempts a nonprofit from paying federal corporate income tax and allows contributions given to the organization to be tax deductible to the donors. There are many classifications of tax-exempt organizations, with 501(c)(3) being just one of them. Federal tax law applies to all 501c3 tax-exempt organizations.

IRS: "IRS" stands for the Internal Revenue Service. The IRS is the taxing agency for the United States Federal Government. The IRS is the federal agency that regulates and monitors 501c3 tax-exempt organizations. Section 501c3 of the Internal Revenue Code, is the law that applies to 501c3 tax-exempt organizations.



1: GOVERNANCE – STATE LAW

KNOW

There are five key areas of **State Law** for nonprofits to be aware of:



1. **Articles of Incorporation:** Articles of Incorporation are the document that creates the corporation. It needs to meet both state requirements for a nonprofit corporation as well as federal tax law requirements to qualify as a 501(c)(3) organization.



2. **Bylaws:** “Bylaws” refers to the document that sets out the rules of operation for your organization.



3. **Fiduciary Duties:** Board members have a set of legal obligations towards the nonprofit corporation, called fiduciary duties.



4. **Recordkeeping:** A nonprofit board keeps records so that it can report to funders or government agencies or the community about decisions and actions made.



5. **State Taxes:** While a tax-exempt organization does not pay federal taxes, it is responsible for applicable state taxes.

KNOW MORE

1. Articles of Incorporation

Since Articles are the original document that creates an organization, a nonprofit should keep a copy of the filed Articles. If it doesn't have one, it can order them from the Secretary of State. The Articles set the parameters of the organization's charitable purposes and may describe whether or not it has members.



A. State law requirements

- ☐ **Registered Agent:** A nonprofit must have a registered agent and a registered office. This is the way that the state contacts the corporation. The registered agent needs to be a dependable person, and the address needs to be a stable

street address in Washington State. The Registered Agent must sign a consent to serve in that role which is filed with the Articles.

- ☐ **Name:** A nonprofit must have a name for the corporation that cannot be the same as or very similar to the name of any other corporation or legal entity in Washington and cannot have words like *Inc.*, *Co.*, *Company*, *Ltd.* in it.
- ☐ **Initial Directors:** A nonprofit must give the name and address of at least one individual who will serve on the Board.
- ☐ **Incorporator:** A nonprofit must give the name and address of at least one person who will serve as the incorporator. The incorporator is the person who signs the Articles.

B. Federal tax law requirements

While we go into more detail on federal law in the next section, let's review the elements of the Articles of Incorporation that relate to federal requirements.

- ☐ **Purpose:** A nonprofit must list purposes for the organization that meet the definition of charitable purposes under federal tax law. See the Sample Articles of Incorporation in our Key Documents, for specific language.
- ☐ **Dissolution:** A nonprofit must provide for the distribution of any remaining assets in the event that the corporation is closed down. The assets must be distributed to another 501(c)(3) organization or to the federal or state government for a public purpose.
- ☐ **Limitation of liability** (recommended): This provision changes the standard for determining liability of directors to "gross negligence," making it harder to prove liability.
- ☐ **Indemnification** (recommended): This provision authorizes the corporation to pay costs of defending officers and directors who are sued and in some cases, any damages required to be paid by an officer or director.

C. Requirements after Incorporation

- ☐ **Annual Report:** A nonprofit needs to file an annual report with the Secretary of State to maintain "Active Status." It is due to be filed every year on the birthdate of your corporation. If the nonprofit doesn't file it, it will be administratively dissolved.
- ☐ **Initial Meeting of the Board of Directors:** The individuals listed in the Articles as the initial directors meet to take actions necessary to start up the corporation. This includes adopting the Bylaws, electing officers and authorizing opening a bank account.

D. Changes to the Articles

The Articles can be changed upon approval of the Board of Directors by a document called "Articles of Amendment." The most common amendments to Articles are to change the corporation's name or to add new purpose.

2. Bylaws



The Bylaws are the rules of operation for the corporation and are required by State Law. Bylaws are not filed with the state. The nonprofit should keep a file of the Bylaws in the office, with any amendments. Each board member should keep up to date Bylaws. They are filed with the IRS when you apply for tax exemption.

- ❑ **Members:** Washington nonprofit corporation law permits nonprofit corporations to have members as voting or nonvoting members. If you have members, it is important to be clear why you have members and what their rights are. If you give members the right to vote, you need to clearly state what those voting rights are and provide appropriate provisions for holding meetings.
- ❑ **Board of Directors:** Under state law, only one director is needed; however, you will need at least three directors if you are seeking tax-exempt status. Usually the number of directors is described as a range, with a minimum number and maximum number of directors given. The Bylaws also provide for how the directors are elected, length of term, their qualifications, resignation, and removal. It is important to have removal provision.
- ❑ **Meetings:** The Bylaws provide for how the Board meets, how it gives notice of meetings, how it holds special meetings, what a quorum is, and the vote needed for the Board to act. Under Washington law, a Board can meet in-person, or by telephone or some other form of electronic communication, as long as everyone can hear everyone else speak. Chat rooms online are not permitted. You also can meet in the form of writing, called a “consent resolution.” Directors give their consent in writing or by email. Such a consent must be unanimous; that is, every director needs to vote, and everyone must vote in favor of the resolution proposed.
- ❑ **Committees:** Bylaws often cover the roles of committees. There are two kinds of committees: (1) board committees, composed only of directors that can act for the Board (non-board members can attend committee meetings and give input, but cannot vote), and (2) advisory committees that give advice and recommendations to the Board.
- ❑ **Officers:** Their duties are described in the bylaws.
- ❑ **Amendments:** There’s a provision that describes how the bylaws are amended. Usually amendments to the bylaws require a supermajority vote of the Board and sometimes special notice. If the corporation has voting members, this provision may require member approval as well.

3. Fiduciary Duties

The Washington Nonprofit Corporation Act sets out the duties and protections of the directors.



A. Three Duties

Directors must fulfill duties described as the Duty of Care, Duty of Loyalty, and Duty of Obedience:

- ☐ **Duty of Care:** A director is expected to have a level of **competence** described as exercising the “care of an ordinarily prudent person in like position” under similar circumstances. That means a director has to exercise reasonable care when making a decision as a board member, using diligence and independent judgment.
- ☐ **Duty of Loyalty:** A director should act in the **best interest of the organization**, putting the organization before self-interest. This is particularly important where there is the potential for personal gain and often arises when there is a conflict of interest. It’s a best practice for staff and board to sign a Conflict of Interest policy.
- ☐ **Duty of Obedience:** A director must make sure that the organization is in **compliance** with local, state, and federal laws and is staying true to its mission.

B. Protections

Washington State law provides protections to make sure the directors are protected in the event the directors are threatened with legal action. In both cases, provisions should be written into the organization’s Articles of Incorporation.

- ☐ **Limitation of Liability:** These provisions eliminate or limit the personal liability of a director in cases where the director did not act with intentional misconduct or receive inappropriate personal benefit.
- ☐ **Indemnification:** These provisions permit a director who is a part of a legal proceeding related to the corporation to apply for indemnification, in other words, to be compensated for loss or damage, by the nonprofit. This would cover reasonable expenses incurred by the director in connection with a legal case before a court. This protection can extend to officers, employees or agents of the organization.

4. Recordkeeping

A nonprofit must keep clear and complete records to ensure that it complies with tax rules. Good recordkeeping systems allow organizations to better



evaluate its programs, monitor its budget, and prepare financial statements and returns. It is a best practice to have a Document Retention Policy that describes what records should be kept on file and for how long.

A. Financial Records

The law does not require a certain kind of record system because it will vary by organizational size. The system, however, should include these items:

- ☐ Receipts: Amount received from all sources
- ☐ Purchases: Items bought, including any items resold to customers
- ☐ Expenses: Other costs to run programs
- ☐ Employment taxes (for staffed organizations)
- ☐ Assets: Property that an organization owns and uses in its activities

B. Board Minutes

Board minutes are the written record of the actions and decisions taken at a board meeting. Once written and approved by the board, they are accepted as a true representation of the meeting they record and can be used as legal evidence.

Usually the Secretary is in charge of minutes. A nonprofit keeps them electronically or in a binder. They should be kept forever.

C. Other records

Other key documents related to the organization should be kept for at least 7 years. A Documentation and Retention policy is considered best practice.

5. State Taxes

There are three state taxes that impact Washington nonprofits:



- a. **Business & Occupation Tax:** A nonprofit must file a **Master Business License** with the Department of Revenue if it will have employees or a revenue source on which it must pay State Business and Occupation Tax (B&O Tax) or Sales Tax. The B&O Tax taxes the gross income that your organization brings in. Donations, grants and proceeds from fundraising events are exempt.
- b. **Sales Tax:** Organizations that sell products must pay sales tax.
- c. **Property Tax:** Unless exempt, nonprofits must pay property taxes on any property that it owns.

KEY DOCUMENTS

- Articles of Incorporation
- Bylaws
- Conflict of Interest Policy
- Document Retention Policy
- Gift Acceptance Policy
- Minutes

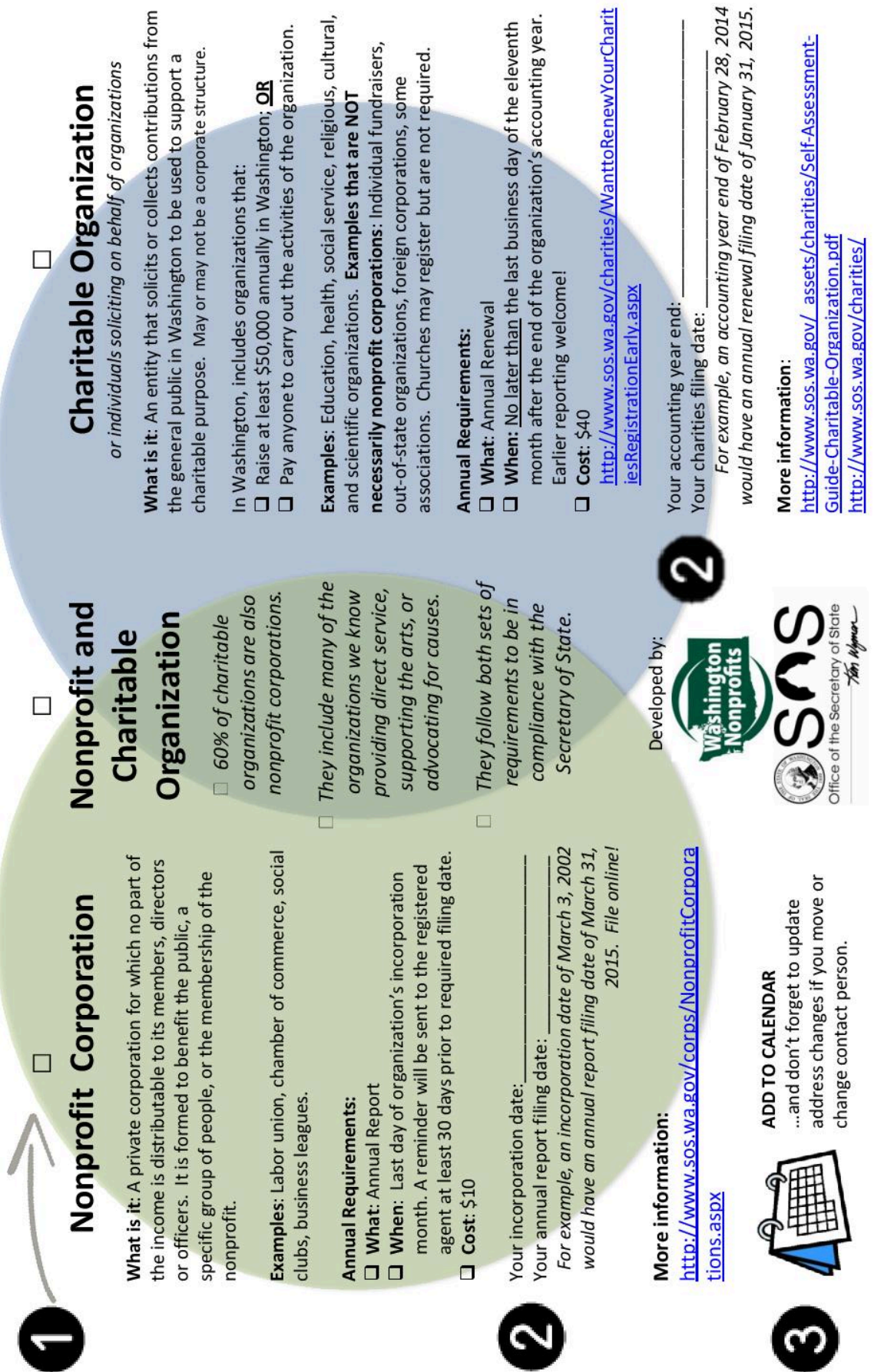
ACTION

If Yes, Date sent or reviewed	No	State Law Legal Checklist
		Our board of directors reviews the Articles of Incorporation at least once a year to make sure that actual practice is consistent with these documents.
		Our Organization's registered agent is still at the address on file with the Secretary of State.
		The registered agent has signed a consent form that is on file with the Secretary of State
		We can rely on our registered agent to give us mail that comes to the corporation
		Our board of directors reviews the Bylaws at least once a year to make sure that actual practice is consistent with these documents.
		Our Organization prepares and maintains financial statements and statements of account on a regular basis.
		Our board has reviewed, and if necessary secured expert advice about, our financial controls, and regularly revisits this topic to assure adequate scope and compliance.
		Our Organization has adequate separation of financial duties. In particular, the person writing and signing checks is different than the person reviewing and reconciling bank statements.
		More than one person is an authorized signer on our Organization's bank accounts, and these signatories are up-to-date.
		Our Organization does not make loans to any of its officers or directors.
		Our Organization understands and carefully observes any use or spending restrictions on grants and other contributed funds.
		Our Organization has Officer and Director insurance, and the board members have reviewed the policy and understand what it covers and what it does not cover.
		Our Organization files an annual report with the Washington Secretary of State. (You may also need to register as a Charitable Organization; see "Fundraising" for more.)
		Our Organization has filed a Master Business Application with the State of Washington.
		Our Organization understands its obligation to pay any state sales or business and occupation taxes.
		Our organization understands whether it is entitled to any exemptions from these taxes
LOCAL		
		Our Organization has a current license to do business from the city/county where it is located.
		Our Organization understands its obligation to pay any local business and occupation or property taxes.

Stay Up-to-Date with the Secretary of State

Nonprofit and charitable organizations need to register and stay up-to-date with the Office of the Secretary of State.

- 1 Check which type of organization you are. 2 Note your key dates. 3 Put those dates onto your organizational calendar.



2. GOVERNANCE –FEDERAL LAW



KNOW

There are five key areas of **Federal Tax Law** for 501(c)(3) organizations to be aware of. If the nonprofit does not have tax-exemption as a 501(c)(3) organization, they will not have to comply with the following federal tax rules.



1. **Charitable Purpose and Assets:** Federal tax law provides tax benefits to 501(c)(3) organizations because they provide a benefit society in some way. In return, these organizations must further one or more “charitable purposes” and provide assurance that its assets will remain charitable.



2. **Private benefit:** Individuals or organizations may not benefit personally from the activities of a tax -exempt organization.



3. **Lobbying:** 501(c)(3) organizations are limited in their advocacy activities. Lobbying conducted by 501(c)(3) organizations cannot be a “substantial part” of their activities. There is an important difference between education and lobbying.



4. **Political campaigns:** 501(c)(3) organizations may not participate in or intervene in the campaign of a candidate for public office.



5. **Public documentation:** Tax-exempt organizations may not operate in the dark. They must make some documents available for public inspection. They must file annual informational tax returns and provide donors with appropriate donation receipts.

KNOW MORE

1. Charitable Purpose and Assets

- A. **Purpose:** A 501(c)(3) organization must be organized and operated



exclusively for one or more charitable purposes. These purposes must meet the definition of charitable purposes under federal tax law.

B. **Dissolution:** The Articles must provide that, upon dissolution of the 501(c)(3) organization, all assets must go to another 501(c)(3) organization or a government entity for a public purpose.

C. **Income unrelated to purpose:** 501(c)(3) organizations may have a limited amount of unrelated business income (income unrelated to its charitable purpose), but it must report it and pay taxes on it. If there is too much unrelated business income, or it is not reported, it can jeopardize the nonprofit's tax-exempt status. There are legal tests to determine if income is unrelated business income and if there is too much unrelated business income. If this is an issue, the organization should consult an attorney.

Definition of "Charitable"

The term "charitable" is used in the Internal Revenue Code section 501(c)(3) in its generally accepted legal sense. That includes relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening of the burdens of government; promotion of social welfare.

-irs.gov

2. Private benefit

Tax-exempt organizations are created to serve a public good, not the people creating or governing the organization. No officer, director or other insider can therefore receive any benefit for which they have not appropriately paid. Loans to board members are not permitted. In general, a board needs to pay close attention to compensation, purchases and sales, or other financial transactions with insiders. Transactions with insiders cannot exceed fair market value.



The IRS can impose financial penalties on insiders that violate rules around private benefit, as well as on directors who approve such dealings. The organization may have its tax-exempt status revoked.

3. Lobbying

Lobbying is any attempt to influence legislation by (1) expressing a position on specific legislation to a legislator or their staff, or (2) encouraging members of the general public to contact their legislators with a position on a specific legislation (like a "call to action"). Contrary to what many people think, tax-exempt organizations may engage in lobbying if it is not a substantial part of their activities. All tax-exempt organizations may engage in education.



A. Lobbying limits

- ❑ **The “substantial part” test:** Organizations that choose not to elect into Section 501(h) of the tax code are still subject to section 501(c)(3) and the rules developed in common law. Known as the “substantial part test,” these rules require that “no substantial part of a charity’s activities consist of carrying on propaganda or otherwise attempting to influence legislation.” “Substantial” has never been clearly defined. However, it is clear that the definition of lobbying under the “substantial part test” is not related to an expenditure of money alone. For example, activities conducted by volunteers to influence legislation may be considered lobbying.
- ❑ **501(h) expenditure test:** Those 501(c)(3) organizations that choose the Section 501(h) election must apply an “expenditure test.” Under this standard, lobbying only occurs when there is an expenditure of money. It sets forth specific dollar limits, calculated as a percentage of the organization’s total exempt purpose expenditures. Section 501(h) and its related regulations also provide helpful definitions of lobbying and several exemptions.

B. Education

To be clear, 501(c)(3) organizations may engage in education without limitation. They may educate anyone anytime about the people they serve, the impact of policies on these people, and what ideas they have to help their community. They may tell the stories of clients or speak up when a better solution is possible. They may invite a policymaker into their facility to see their work in action. Nonprofits play an important role in the education of their community, including policymakers, about their work and the issues related to their success.

4. Political campaigns

A 501(c)(3) organization is not allowed to favor or oppose a candidate for public office. A candidate includes a declared candidate, an incumbent until they state that they will not seek re-election, and a person subject to speculation. A 501(c)(3) organization may not make endorsements. It may not use its resources for a campaign for public office. It is important to prevent any campaign activity by an employee, volunteer or Board member from being attributed to the organization.



5. Public documentation

A. Annual filing

A tax-exempt organization must file a form 990 or one of its variations each year four and one-half months after the end of its fiscal year. There are financial penalties for filing the form 990 late. If an organization fails to file a form 990 for three consecutive years, its tax-exempt status will be automatically revoked.



B. Public Disclosure

It is considered to be in the public's best interest that tax-exempt organizations make public key information about their activities. Specifically, a tax-exempt organization must make available for public inspection its:

- ☐ Application for tax exemption, which is either Form 1023 or Form 1024 depending on the organization.
- ☐ Annual return, which includes Form 990 and its variations for the prior three years.

It is **not** required to disclose the name and address of any contributor.

KEY DOCUMENTS

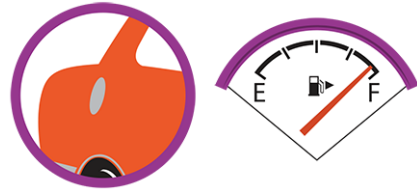
In addition to the State Law documents, these are key Federal Law documents:

- Form 1023
- Form 990N
- Form 990EZ
- Form 990

ACTION

If Yes, Date sent or reviewed	No	Federal Law Legal Checklist
KEEPING CURRENT WITH IRS -MAINTAINING TAX-EXEMPT STATUS		
		Our organization files a version of the IRS Form 990 every year. <input type="checkbox"/> Our Organization does not normally receive more than \$50,000 in annual gross receipts and files a 990N (e-Postcard). <input type="checkbox"/> Our Organization normally receives more than \$50,000 in gross receipts each year and files annual Form 990 or 990 EZ with the IRS.
		Our Organization understands its 501(c)(3) determination letter from the IRS, and its status as either a “public charity” or a “private foundation.”
		Our Organization’s Board of Directors regularly reviews the Organization’s financial statements, and reviews and approves the annual IRS Form 990.
		If our Organization receives funds from regularly-conducted business activities that are unrelated to its exempt purpose, it correctly accounts for those funds and understands how to report and pay taxes on this unrelated business income.
KEEPING CURRENT WITH IRS		
		Our Organization has notified the IRS of any material changes to our exempt purposes or activities, or amendments to our Articles of Incorporation or Bylaws since we applied for 501(c)(3) status.
CONFLICT OF INTEREST		
		Our Organization has a written conflict of interest policy and follows that policy.
		Any transactions our organization undertakes with its insiders, known as “disqualified persons,” is approved by the board or an independent committee, no members of which have a personal or financial interest in the transaction.
		The setting of our executive director’s salary is based on appropriate comparability data.
		Transactions are concurrently documented by the board or committee which states the basis for its approval in writing.
OTHER POLICIES		
		Our Organization has considered adopting a written whistleblower policy and if adopted, follows that policy.
		Our Organization has considered adopting a written document retention policy and if adopted, follows that policy.
ADVOCACY		
		Our Organization does not endorse candidates for political office and does not participate in any political campaign for or against a candidate for any public office.
		Our lobbying activities, if any, are an insubstantial part of our Organization’s overall activities. If we are participating in any lobbying activities, we have considered the two ways that nonprofits can document their lobbying activities.

3. FUNDRAISING AND DONATIONS



KNOW

There are four key areas of **law related to fundraising** for nonprofits to be aware of:



1. **Registration & Reporting:** In Washington, nonprofits that solicit members of the public for donations and raise at least \$50,000 annually or pay anyone to carry out the activities of the organization must (1) register as a Charitable Organization and (2) file yearly reports with the State.



2. **Written acknowledgement:** Certain donations require written acknowledgement for the donor to be able to take a deduction.



3. **Restricted gifts:** In some cases, donors may restrict how their gift can be used. An endowment is one kind of restricted gift.



4. **Fundraising activities:** A number of laws impact how an organization can raise money, from holding a raffle to serving alcohol. Disclosure requirements apply to nonprofits.

KNOW MORE

1. Registration & Reporting

In Washington, nonprofits that solicit members of the public for donations and raise at least \$50,000 annually or pay anyone to carry out the activities of the organization must register as a Charitable Organization with the Secretary of State, and file yearly reports with the State. The report is due no later than the last business day of the 11th month after the end of the organization's accounting year. Registration is also required if the organization engages a commercial fundraiser. Churches are not required to register.



2. Written acknowledgement (substantiation)

Donations above a certain limit are only tax deductible if the donor has a written acknowledgement of the gift.



- ☐ Single contribution of \$250 or more:
- ☐ Single contribution of \$75 or more where goods or services were received by the donor (unless the goods were incidental, such as a coffee mug)

There are also special rules around donations of certain types of property, such as vehicles, works of art, conservation easements and property valued at more than \$500.

Written Acknowledgement should include:

- ☐ Name of organization
- ☐ Amount of cash contribution
- ☐ Description (not value) of non-cash contribution
- ☐ Statement that no goods or services were provided, if that was the case
- ☐ Description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution

3. Restricted gifts

Contributions restricted by the donor must be used in accordance with any donor restrictions on that gift, whether the donor restricts a gift as to purpose or expenditure. Restricted gifts require additional tracking and accounting to ensure that they are stewarded appropriately and used for their intended purpose. One type of restricted gift is an endowment.



Nonprofits with income-producing assets of \$250,000 or more may need to register as a Charitable Trust with the Secretary of State.

4. Fundraising Activities

Many nonprofits hold events or conduct other fundraising activities in order to raise money. Some of those activities may be subject to other laws.



- ☐ **Raffles:** May require a license. See WA State Gambling Commission.
- ☐ **Gaming & gambling:** May require a license. See WA State Gambling Commission.
- ☐ **Auctions:** May involve paying sales taxes on tangible property
- ☐ **Alcohol:** requires a liquor license

KEY DOCUMENTS

- Quid Pro Quo Letter (that meets federal requirements)
- Thank You Letter (that meets federal requirements)

ACTION

If Yes, Date sent or reviewed	No	Fundraising & Donations Checklist
REGISTRATION AS A CHARITY		
		If our Organization solicits charitable donations from the general public, it complies with Washington's Charitable Solicitations Act, including registration and annual reporting requirements.
GIFT ACKNOWLEDGEMENT		
		Our Organization acknowledges, in writing, gifts of \$250 or more.
IN-KIND		
		If our Organization provides any goods or services of more than a nominal value to a donor who makes a contribution in excess of \$75.00, our Organization provides a disclosure statement to the donor with a good faith estimate of the fair market value of any benefit that the donor received.
		If our Organization receives gifts of vehicles or other noncash gifts, it understands and follows the IRS regulations for substantiation of those gifts.

4. EMPLOYMENT LAW



KNOW

There are five key areas of **Employment Law** for nonprofit to be aware of:



1. **Minimum Wage & Overtime:** Federal, State, and in some cases Local law regulates employers' pay practices and policies. Washington employers must comply with Federal, State, and Local law.



2. **Hiring Process:** Employers should understand the basis for at-will employment. Employers must also verify the work eligibility of employees.



3. **Non-employees: Interns, Volunteers & Independent Contractors:** Nonprofits need to make sure they are treating these categories of non-employees consistent with the law to avoid incurring liability.



4. **Payroll:** Employees must be paid at least once a month on a regularly scheduled payday. Payroll taxes must be withheld and paid to the IRS. IRS is very strict on payroll taxes and will hold individual board members liable for unpaid payroll taxes.



5. **Anti-discrimination Laws:** Federal and state law prohibit discrimination across a wide array of characteristics.

KNOW MORE

1. Minimum Wage & Overtime



A. Minimum Wage.

Most employees must be paid the minimum wage for all “hours worked.” “Hours worked” means all time during which an employee performs work for the benefit of the employer. This includes time spent opening or closing a business, and required meetings and training. It also includes time spent by an employee voluntarily continuing to work on an assigned task at the end of a shift or on a day off. All work time must be paid for by the employer.

For 2017, the Washington Minimum Wage is \$11.00 per hour, higher than the federal minimum wage of \$7.25 per hour. Employers are required to pay employees the more favorable (i.e., higher) of the State and Federal minimum wage. Several counties and cities throughout Washington state have enacted local minimum wage ordinances. Employers need to know what minimum wage applies to their employees.

B. Overtime

Most employees who work more than 40 hours in a 7-day work week must be paid overtime compensation for all hours worked over 40. For every overtime hour worked, the employee must be paid 1.5 times the employee's regular rate of pay. An employee's "regular rate" is not necessarily the same as an employee's fixed or straight time rate. The regular rate includes all compensation for employment paid to the employee divided by the number of hours worked in the week for which the compensation was intended. Payments such as commission payments, premium pay, and non-discretionary bonuses are included in the regular rate. Discretionary compensation, expense reimbursements, and pay for unworked time (holiday, vacation, sick pay) does not need to be included when calculating the regular rate.

C. Exempt

State and federal law provides exemption from overtime pay for employees employed as bona fide executive, administrative, professional, or outside sales employees. To qualify for the exemption, employees must meet certain tests regarding their job duties and be paid on a salary basis. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all of the requirements.

Paying an employee on a salary basis requires that the employee receive a predetermined amount of pay on a weekly basis, regardless of the quantity or quality of the hours worked. Currently federal law requires that employees must be paid in an amount equal to \$455 per week (\$23,660 per year) in order to qualify for the management, administrative or professional exemptions.

In addition to the salary basis requirements, exempt employees must also meet duties requirements. State and federal duties tests differ slightly and employers must comply with both. The three most commonly applied exemptions are the executive, administrative, and professional exemption. See Chart A on the next page.

Minimum Wages Around Washington (as of January 2017)

SeaTac: Certain employers in the hospitality and transportation industries must pay \$15.34/hour.

Seattle has a multi-year plan for increasing the minimum wage to \$15 per hour. Wage rates depend on a number of factors, including the size of the employer.

Tacoma is gradually increasing its minimum wage to \$12 per hour over a two-year period.

State and federal law also provide exemptions for certain other categories of employees. Employers should consult with legal counsel when making a decision whether to classify an employee as exempt from overtime.

Employers are not required to pay employees a higher rate of pay to work on holidays or weekends. Employers are not required to pay employees severance pay.

CHART A: COMMON EXEMPTIONS

Executive exemption	Administrative exemption	Professional exemption
<i>An employee must:</i>	<i>An employee's primary duty must:</i>	<i>An employee qualifies if the employee:</i>
<ul style="list-style-type: none"> <input type="checkbox"/> Have the primary duty of managing the enterprise in which the employee is employed or of a customarily recognized department or subdivision. <input type="checkbox"/> Customarily or regularly direct the work of two or more full time employees or their equivalent; and <input type="checkbox"/> Have the authority to hire, fire, promote, or demote other employees or have particular weight given to suggestions and recommendations as to such decisions. 	<ul style="list-style-type: none"> <input type="checkbox"/> Involve office or non-manual work directly related to the management or general business operations of the employer or its customers. Examples provided in the regulations include work in areas such as finance, accounting, budgeting, auditing, quality control, purchasing, marketing, personnel management, public relations, and database administration; and <input type="checkbox"/> Exercise discretion and independent judgment with respect to significant matters. 	<ul style="list-style-type: none"> <input type="checkbox"/> Has a primary duty of performing office or non-manual work requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction, and whose duties require consistent exercise of discretion and judgment; or <input type="checkbox"/> Has a primary duty requiring invention, imagination, originality, or talent in a recognized field of artistic or creative endeavor.

2. Hiring Process



A. At-Will Employment

Washington State recognizes the doctrine of at-will employment. At-will employment means that employees can quit whenever they want and the employer may terminate them whenever it wants, provides there no contract or agreement to the contrary. All employees are at-will employees unless the employer has taken affirmative steps to change the status. The majority of employees should be employed on an at-will basis to provide the employer with flexibility and to minimize cost.

Employers should have a policy confirming At-Will Employment. See Key Documents for a sample policy.

B. Employment Verification

Employers must have all employees hired on or after November 6, 1986 complete Form I-9. See Key Documents for a Blank and Completed Form.

3. Non-employees: Interns, Volunteers, and Independent Contractors



A. Unpaid Interns

The law narrowly limits an employer's ability to use unpaid interns. The United States Department of Labor looks at six criteria for evaluating whether an unpaid interns status is valid:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

B. Volunteers

Individuals who volunteer or donate their services, usually on a part-time basis, for public service, religious or humanitarian objectives, not as employees and without contemplation of pay, are not considered employees of the religious, charitable or similar non-profit organizations that receive their service.

Each volunteer should sign a document confirming volunteer status, including acknowledgment of no pay.

C. Independent Contractors

An "Independent Contractor" is a person or business that performs services for an organization under a contract between them, with the terms spelled out such as duties, pay, the amount and type of work, and other matters. An Independent Contractor pays their own Social Security, taxes, and it not eligible for retirement or health benefits.

Individual workers hired to perform functions essential to your organization's primary purpose, who work full or part time under the employer's control, and who do not

provide similar services for other organizations are **not likely** to qualify as independent contractors. The U.S. Department of Labor evaluates independent contractor status based on the following factors:

1. Extent to which the worker's services are an integral part of the employer's business;
2. Permanency of the relationship;
3. Amount of the worker's investment in facilities and equipment;
4. Nature and degree of control by the principal;
5. Worker's opportunities for profit and loss; and
6. Level of skill required in performing the job and the amount of initiative, judgment, or foresight in open market competition with others required for the success of the claimed independent enterprise.

No single factor is regarded as more important than another.

Misclassifying employees as independent contractors can expose an employer to liability for unpaid minimum wage and overtime, sick and vacation pay, workers' compensation premiums, Federal, State and Local income tax withholdings, Social Security and Medicare contributions, unemployment, insurance, taxes, and benefits. There may be penalties under state and federal law for misclassification.

4. Payroll

An employer must establish regularly scheduled paydays at least once a month. When an employee has ceased working for an employer, the employer must pay the final wages due at the end of the established pay period. Payment must be made by midnight on the payday. If paychecks are mailed, they must be postmarked on the payday. If payment is made using direct deposit, funds must be available on the established payday.



5. Anti-Discrimination Laws

Federal law prohibits employment discrimination based on the following covered bases: race, color, creed, religion, sex (including pregnancy-related discrimination), national origin, age, disability, genetic information, and military or veteran status. Washington's anti-discrimination laws protect the same characteristics as federal law and also extend protections based on veteran and marital status, sexual orientation, and political activities. Federal law (Title VII) applies to employers with 15 or more employees. Washington's Law Against Discrimination applies to employees with eight or more persons.



KEY DOCUMENTS

- Anti-discrimination Policy/ Equal Employment Opportunity (EEO) Policy
- At-will Policy
- Confidentiality Policy
- I-9 Form: Blank
- Independent Contractor checklist (<http://www.lni.wa.gov/IPUB/101-063-000.pdf>)
- Whistleblower Policy

ACTION

If Yes, Date sent or reviewed	No	Employment Law Checklist
EQUAL OPPORTUNITY		
		Our organization does not discriminate in employment on the basis of race, age, sex, disability, marital status, national origin or creed, or sexual orientation.
WORKERS COMPENSATION		
		Our Organization has evaluated whether it wishes to provide workers compensation coverage for volunteers. If it has elected to provide this coverage, it has timely notified the Director of the Department of Labor and industries of its intent to do so and is making the required contributions.
TYPES OF WORKERS		
		Our Organization is confident that it has properly categorized volunteers, independent contractors, employees, and interns, and is treating them appropriately for their category.
		Our Organization is confident it has properly classified employees as either exempt or nonexempt, and is treating them appropriately for their category.
ORGANIZATIONS WITH STAFF		
LABOR PRACTICE		
		If our Organization's staff members work overtime or have unusual hours, we are complying with wage and hour standards that govern overtime.
		Our Organization has considered whether it should adopt written personnel policies that include, for example, a description of employee benefits, a process for handling a harassment complaint or other grievances, termination procedures, the process for performance management or employee reviews and other employment practices.
WORK ELIGIBILITY		
		Our Organization verifies that all employees are eligible to work in the United States by having all employees complete form I-9 which the organization retains on file for three years after the date of hire or one year after the date of termination of employment, whichever is later.
FEDERAL REQUIREMENTS		
		Our Organization withholds federal income and FICA taxes from employees' paychecks, deposits these withheld funds, along with the employer's share or FICA taxes, with the IRS on a regular basis, and files a Form 941 quarterly with the IRS.
		Our Organization prepares Form W-2 for employees and Form 1099 for any independent contractors.
STATE REQUIREMENTS		
		Our Organization has registered with the Washington State Departments of Labor and Industries and Employment Security. Our organization makes quarterly payments to ESD for unemployment insurance, and makes quarterly payments to L & I for workers compensation insurance.

5. INTELLECTUAL PROPERTY LAW



KNOW

There are five key areas of **Intellectual Property Law** for nonprofit to be aware of:



1. **Intellectual Property (IP) Defined:** Intellectual Property are assets of an individual or enterprise that are intangible. There are four kinds of IP: Trademarks, Patents, Copyright, and Trade Secrets.



2. **Ownership:** Knowing who owns the Intellectual Property of the key elements of your organization is a good place to start in the process of protecting your IP rights.



3. **Respect:** Just as we want others to honor our rights, we need to respect the intellectual property rights of others. Intellectual Property litigation is expensive. Adopting a policy of respecting the Intellectual Property rights of others involves searching to see if others have adopted IP similar to yours prior to your adoption.



4. **Privacy Policy:** The general public wants to know how you are going to use the information it gives you, particularly if gathered through a website. A privacy policy keeps web communication honest by telling visitors what you will do with their information.



5. **Website & Online Usage:** Your online presence opens the door for Intellectual Property challenges, both in how you use the information from others and how others make use of your information.

KNOW MORE

1. Intellectual Property (IP) Defined

Unlike real property or personal (material) property, Intellectual Property is the assets of an individual or enterprise that are intangible. Intellectual property is the ownership interest a person or company may have in creations of the mind. Intellectual property law grants the creator of intellectual property exclusive rights for exploiting and benefiting from their creation.



There are four main types of Intellectual Property protections:

- A. **Trademarks:** Protects words, symbols and other “marks” that are capable of identifying its owner. A trademark is a name or symbol or other indicator that identifies your enterprise to the public. With continuous use, rights can last forever.

Trademark rights are acquired by using the trademark. Use the ™ mark in connection with an unregistered trademark and the ® to indicate a registered trademark.

Trademarks do not create monopoly rights. They are acquired in connection with particular goods and services. For this reason, there could be more than one party with the same mark for different, unrelated services. Trademarks are also not all created equally. Some are stronger than others with stronger rights attaching to arbitrary or made up words than to words that are highly suggestive of the goods or services they cover or even descriptive of such goods or services.

Registration: Registration is available at the State and Federal level. (Note: your corporate name registered with the state is not the same as a trademark and does not give you proprietary rights to a name.) Federal registration is only available if the mark is used in “interstate” commerce. The owner of a federally registered mark acquires additional statutory rights and enforcements by the courts. A Federal registration grants nationwide rights even though the trademark may only be used in as few as two states.

Corporate name: Your corporate name is not automatically a trademark, but it can be a trademark if you register it. The first to use a trademark in connection with particular goods and/or services has prior rights.

Domain names: A domain name is also not a trademark, though they arguably serve an identifying function. Domain names are not acquired in the same way as a trademark nor are treated as a trademark. However, it is possible that a portion of a trademark may be incorporated into a domain name and the domain name itself may be used or registered as a trademark.

Use: A trademark should be used consistently throughout the organization. Improper use of a trademark could lead to erosion or weakening of the mark and sometimes loss.

- B. **Copyright:** Protects rights in the expression of an idea or “artistic works.” Once the copyright term ends, works fall to the Public Domain and may be used by anyone, but it is sometimes difficult to confirm what is in the Public Domain.

Copyright holders have the exclusive rights to reproduce, create derivative works based on the work, distribute copies, perform or display the work. The rights attach at the time of creation but in order to having standing to sue in court, the owner will need to register the work with the US Copyright Office. The symbol © is used in connection with copyrighted material.

If your organization produces materials, it owns the copyright to those materials. It is a good idea to obtain a written assignment from those individuals involved in creating the materials if there is any uncertainty regarding ownership. If the materials will be marketed or used, it is worthwhile to file to register the copyright in the name of the organization. The fee is inexpensive, and the Copyright Registration Certificate is a powerful attachment to a cease and desist letter should the need arise.

- C. **Patents:** Protects new, non-obvious useful inventions. Utility patents last 20 years. Patents must be registered for rights to attach. A patent attorney should be consulted if you believe you have an invention that qualifies for protection.
- D. **Trade Secrets:** A “Trade Secret” is information that is confidential to the business and held in secret. There is no registration process and Trade Secrets remain protected so long as the information is held in confidence. Intellectual Property counsel should be consulted regarding best practices to ensure information is protected as a Trade Secret.

2. Ownership

Intellectual Property is generally owned by its creator. If created by an employee, the works are generally assigned to the employer either by law or by contractual agreement. Like any other corporate assets, a nonprofit should hold its Intellectual Property in its own name or the name of some other entity it fully controls. Holding IP in the name of an individual puts the company at risk that that individual might abscond with the Intellectual Property or use it for his/her own benefit.

Important note: Though not technically Intellectual Property, your domain name should also be retained by your corporation – in the name of the corporation. Do not allow a webmaster to register or maintain your domain name – it is a corporate asset.



3. Respect

It is important to respect the Intellectual Property rights of others. Before you use a word or symbol in your marketing material or on your website, search for it online. Someone with a similar trademark could challenge your use, even if your use is not considered trademark use. Before adopting a name, search the name on (1) the United States Patent and Trademark Office website, (2) the corporate database with the Secretary of State’s Office, and (3) the Internet in general. While these searches will not provide a legal analysis of your rights, they may alert you to some possible issues you may encounter. Requesting a search by a trademark professional will give the best results, but even then, common law rights may be missed. The cost to defend unauthorized use a trademark held by someone else or to compensate the owner for your unauthorized use can be high.



Ideally, any material used by the organization on its website or otherwise should be original material created by the organization. Other material should only be used with permission of the owner and credit should be given to the owner. (See Section 5 below on **Website & Online Usage**.) Just because a “work” is older or the creator is deceased, do not assume the work is in the Public Domain and freely available for use. Rights may be retained by the creator’s estate.

4. Privacy Policy



A website that collects personal information should have a privacy policy. A privacy policy tells your website visitors what you will do with information gathered from them, how you are gathering that information, and how the information will be stored.

Once you have a policy in place, be sure you adhere to what is in your privacy policy regarding collection, storage and use of information.

Some special considerations related to privacy policies:

- **Links to other sites:** If your website provides links to websites of others, you may need to include third party privacy requirements into your policy.
- **Use by children:** If your website will be used or visited by those under the age of 13, there are specific requirements under the Children’s Online Privacy Protection Act of 1998 (COPPA). The state of California has the “California Office of Privacy Protection” with certain Privacy Policy provisions that apply to any website collecting data from California residents.
- **E-commerce:** If you operate an e-commerce site, there are certain provisions you should include.

See Key Documents for sample privacy policies. Do not just copy and paste one onto your website. It must factually state your actual practices it is a good idea to have the final form reviewed by counsel.

5. Website & Online Usage



Your website is your organization’s front door to your community and the world beyond. It can be easily viewed—and content easily taken—thus it is important to pay attention to how you use others’ content and how you protect your own content.

A. Use of non-original content

You should obtain permission for any non-original content used on your website and always give credit to the owner. When creating your website, remember you cannot clip information from another website and post to your own without risking infringing that third party content. Even if you pay for stock art or clipart, commercial use may be excluded in the fine print associated with your license to use. While there are some exceptions for use by non-profits that could qualify as “fair use” an exception to the rights grant to the Copyright holder by the Copyright Act, use by a nonprofit corporation is often considered commercial use.

B. Photo Release

It is considered best practices to have a signed release for any photograph of a person used on your website or any description or story associated with a particular individual. If you ever receive a complaint from someone regarding use of his/her image or likeness, remove it immediately with your apology.

C. Terms of Use

If you accept third party posts or content, consider a “Terms of Use” page in addition to a privacy policy. It is a good idea to include a copyright notice at the bottom of the home page. While this is not a legal requirement, it might act as a deterrent against copying your site and content contained thereon. The notice can be in most any form but the general format is as follows: © Name, date. All rights reserved.

It is also a good idea to include a trademark attribution line somewhere on the website. It could be in the “Terms of Use” page or at the bottom of the homepage. You should list unregistered trademarks as “_____ is a trademark of Company A.” Federally registered trademarks are listed as “_____ is a registered trademark of Company A.” If you anticipate your marks will be used by others, you may wish to consider including guidelines for proper, acceptable usage of your trademarks.

KEY DOCUMENTS

- Photo Releases/Story Releases
- Privacy Policy template
- Take-down Request – DMCA
- Disclaimer Template

ACTION

If Yes, Date sent or reviewed	No	Intellectual Property Law Checklist
OWNERSHIP		
		Our Organization has proper licenses or permission to use all photos and written information created by other persons or organizations.
		Our Organization has considered whether it should register or obtain other protection for any of its unique logos, designs, trademarks, or services.
		We are confident that our Organization's name does not infringe on the rights of any other organization.
		Our Organization has considered whether it would be appropriate to license any written materials, photographs, recordings, art, policy manuals, seminar materials, etc, that may be available for use by others.
		When contracting with third parties to perform services, our Organization uses an employment or independent contractor agreement that assigns ownership to the Organization of intellectual property created by the employee or contractor within the scope of his or her work for the Organization.
PRIVACY POLICY		
		Our Organization has considered implementing a written privacy policy that describes how the Organization uses and discloses personal information.
		If a privacy policy has been adopted, the Organization periodically confirms that it is in compliance with the commitments it makes in that policy.
WEBSITE		
		If our Organization operates a website, the Organization has posted written terms of use or terms of service that limits the Organization's liability and disclaims warranties. These terms of service are prominently located on the Organization's website.
		If our Organization allows third parties to post information on the Organization's website, the Organization has implemented a Digital Millennium Copyright Act compliant notice and takedown provision as part of its terms of use or terms of service. The organization has also registered an agent with the U.S. Copyright Office to receive notices of copyright infringement under the DMCA.

RESOURCES

Governance

Washington State Business and Occupation Tax (B&O Tax):
<http://dor.wa.gov/content/findtaxesandrates/bandotax/>

Washington Secretary of State Nonprofit Corporations:
<http://www.sos.wa.gov/corps/nonprofitinformation.aspx>

Washington Secretary of State Nonprofit Charity:
<http://www.sos.wa.gov/charities/Charitable-Organizations.aspx>

IRS Form 1023 and Instructions
<http://www.irs.gov/pub/irs-pdf/f1023.pdf>

IRS Form 1023EZ information
<http://www.irs.gov/uac/About-Form-1023EZ>

United Way of King County Governance and Management Resources,
<http://www.uwkc.org/partner-with-us/nonprofits/governance/>

Washington State Gambling Commission
<http://www.wsgc.wa.gov/activities/fund-raising-events.aspx>

Tax-exempt information
<http://leg.wa.gov/Senate/Committees/WM/documents/Publications/2006/NonprofitsMay2006.pdf>

Recordkeeping
<https://www.irs.gov/pub/irs-pdf/p4221pc.pdf>

Employment Law

Washington State Department of Labor & Industries Independent Contract information
<http://www.lni.wa.gov/FormPub/Detail.asp?DocID=2134>

City of Seattle Office of Labor Standards – Minimum Wage (Seattle)
<http://www.seattle.gov/laborstandards/minimum-wage>

Davis Wright Tremaine article on Minimum Wage (Seattle)
<http://www.dwt.com/Seattle-Minimum-Wage-and-Wage-Theft-Ordinances-Take-Effect-April-1-2015-03-31-2015/>

Intellectual Property

United States Patent and Trademark Office
<http://www.uspto.gov>

Other Resources

501 Commons

Nonprofit Legal Resources
<http://www.501commons.org/resources/tools-and-best-practices/legal-resources>

National Council of Nonprofits

Tools & Resources
<https://www.councilofnonprofits.org/tools-resources>

KEY DOCUMENTS REVIEW

1: STATE

Articles of Incorporation (sample)
Bylaws (sample)
Conflict of Interest and Certification
Document Retention Policy
Gift Acceptance Policy
Minutes (sample)

2: FEDERAL

Form 1023
Form 990
Form 990EZ
Form 990N

3: FUNDRAISING & DONATIONS

Quid Pro Quo Letter (that meets Federal requirements)
Thank You Letter (that meets Federal requirements)

4: EMPLOYMENT

Anti-discrimination Policy/ Equal Employment Opportunity (EEO) Policy
At-will Policy
Confidentiality Policy
I-9 Form: Blank
Independent Contractor checklist (<http://www.lni.wa.gov/IPUB/101-063-000.pdf>)
Whistleblower Policy

5: INTELLECTUAL PROPERTY

Disclaimer Template
Photo Releases/Story Releases
Privacy Policy template
Take-down Request – DMCA