

CHECKLIST FOR STARTING A NONPROFIT ORGANIZATION IN MARYLAND

Provided by [Community Law Center, Inc.](#), a nonprofit law firm that specializes in meeting the legal needs of nonprofit organizations and community associations in Maryland.

Phase 1: Organize

* Organizations may refer to the [IRS recommendations for governance](#).

- Create a Mission Statement**
- Develop a Fundraising Plan and Budget**
- Draft Bylaws, Adopt a Conflict of Interest Policy, and Elect Initial Directors** – Attach the bylaws and conflict of interest policy to the federal tax exemption application in Phase 2.
- File Articles of Incorporation with the State Department of Assessments & Taxation** – Obtain two certified copies of the Articles. If using a name other than the one contained in the Articles of Incorporation, also file a Trade Name Application.
State Department of Assessments and Taxation, Corporate Charter Division
301 W. Preston St., 8th Floor
Baltimore, MD 21201
410-767-1340
www.dat.state.md.us
- Obtain Federal Employer Identification Number (EIN) from the IRS** – File this form online or by mail, phone, or fax:
Internal Revenue Service
Attn: EIN Operation
Cincinnati, OH 45999
Phone: 800-829-4933 Fax: 859-669-5760
www.irs.gov/businesses/small/article/0,,id=102767,00.html
- Hold Organizational Meeting** – Make initial decisions, adopt bylaws, accept articles of incorporation, and elect officers and additional directors. Keep minutes of this and every meeting.

Phase 2: Obtain Federal Tax Exemption Determination

- Complete and File Form 1023** if seeking 501(c)(3) recognition.
Form: www.irs.gov/pub/irs-pdf/f1023.pdf
Instructions: <http://www.irs.gov/pub/irs-pdf/i1023.pdf> & www.irs.gov/pub/irs-pdf/p4220.pdf
FAQs: www.irs.gov/charities/article/0,,id=130101,00.html

Phase 3: Charitable Solicitation Registration and Other State Filings

- Register to ask for Donations** in Maryland and any other states in which you plan to ask for funding.
Maryland:
For nonprofits that received less than \$25,000 in their previous fiscal year, file the Exempt Organization Fund-Raising Notice: www.sos.state.md.us/charity/ExemptOrganizationFund.pdf.
Or, for nonprofits that received more than \$25,000 in their previous fiscal year, file the COR-92 with attachments: www.sos.state.md.us/charity/Instructions.aspx.
Other States:
For streamlined registration across multiple states, look into the Unified Registration Statement: www.multistatefiling.org.
Or, for individual state-by-state registration requirements: www.multistatefiling.org/n_appendix.htm.
- Combined Registration Application** – Register with the Comptroller and obtain a sales tax exemption by completing the Combined Registration Application: forms.marylandtaxes.com/current_forms/cra.pdf.

- State Income Tax Exemption** – Submit an explanation of the nature, purpose, and scope of your organization; a copy of the IRS tax determination letter; a copy of your organization's bylaws; and a copy of the latest financial statement of your organization to:
Comptroller of the Treasury, Revenue Administration Division
Attention: Legal Department
110 Carroll Street
Annapolis, MD 21411
The telephone numbers of the Revenue Administration Division are 1-800-MD TAXES (638-2937) and 410-260-7980.
- Real Property Tax Exemption** (if the organization owns real estate) may be obtained by contacting the Supervisor of Tax Assessments for the county in which the property is located: www.dat.state.md.us/sdatweb/county.html
- Obtain any Required State or Local Licenses or Permits** – For more information, consult www.dllr.state.md.us/choosemaryland.org/Blis/pages/default.aspx

Phase 4: Maintain Status

- File MD Form 1 Personal Property Return Annually** – This form is due every year around April 15th. www.dat.state.md.us/sdatweb/personal.html#forms
- File Form 990-N, 990-EZ, or 990 to IRS Annually** – The form required depend on the organization’s annual gross receipts (<http://www.irs.gov/charities/article/0,,id=184445,00.html>). This form is due the 15th day of the 5th month after the organization’s accounting period ends (May 15th for a calendar year filer). More information may be found at: www.irs.gov/charities/article/0,,id=256974,00.html and www.irs.gov/pub/irs-pdf/p4221pc.pdf
- Update Solicitation Registration Annually** - File an annual update of the forms listed above in Phase 3 under “Register to ask for Donations” within six months of the end of the organization's fiscal year (other deadlines may apply in other states).
- Substantiation and Disclosure Requirements** - Organizations must give written acknowledgement of charitable contributions, and organizations must make certain documents available publicly. For more information, see: www.irs.gov/charities/charitable/article/0,,id=123211,00.html
www.irs.gov/charities/article/0,,id=96430,00.html
<http://www.sos.state.md.us/charity/DisclosureRequirements.aspx>
- Resident Agent and Principal Office** – Update resident agent and office information, as necessary, by filing a resolution with the State Department of Assessments & Taxation. http://www.dat.state.md.us/sdatweb/ch_addr.PDF
- Maintain Accurate and Complete Corporate and Financial Records** – Adopt policies that ensure proper oversight and controls on financial matters and retention of documents.
- Comply with Employment Laws** – Before an organization hires anyone, consult an attorney about fulfilling its obligations as an employer under federal, state, and local employment laws.
- Assess Insurance Needs** – Consider purchasing insurance for worker’s compensation, directors & officers’ liability, and general liability. Consult [Maryland Nonprofits](http://www.marylandnonprofits.org) for insurance information.

For free legal assistance (after submitting a complete [Application for Legal Services](#) and paying an application fee) relating to any of these issues, contact:



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COMMUNITY
LAW CENTER

Lawyers for Neighborhoods & Nonprofits

Community Law Center, Inc.
3355 Keswick Road, Suite 200
Baltimore, MD 21211
410-366-0922 (phone) / 410-366-7763 (fax)
mail@communitylaw.org
www.communitylaw.org
www.facebook.com/CommunityLawCenter
www.twitter.com/CommunityLawCen
www.linkedin.com/company/community-law-center