

# 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.

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## **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., 8<sup>th</sup> Floor  
Baltimore, MD 21201  
410-767-1340  
[www.dat.state.md.us](http://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](http://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](http://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](http://www.irs.gov/pub/irs-pdf/p4220.pdf)  
FAQs: [www.irs.gov/charities/article/0,,id=130101,00.html](http://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](http://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](http://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](http://www.multistatefiling.org).  
Or, for individual state-by-state registration requirements: [www.multistatefiling.org/n\\_appendix.htm](http://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](http://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](http://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](http://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 15<sup>th</sup>. [www.dat.state.md.us/sdatweb/personal.html#forms](http://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 15<sup>th</sup> day of the 5<sup>th</sup> month after the organization’s accounting period ends (May 15<sup>th</sup> for a calendar year filer). More information may be found at: [www.irs.gov/charities/article/0,,id=256974,00.html](http://www.irs.gov/charities/article/0,,id=256974,00.html) and [www.irs.gov/pub/irs-pdf/p4221pc.pdf](http://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](http://www.irs.gov/charities/charitable/article/0,,id=123211,00.html)  
[www.irs.gov/charities/article/0,,id=96430,00.html](http://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](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://Maryland Nonprofits) 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:



**CLC**  
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LAW CENTER

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