

# CHECKLIST OF NONPROFIT BUSINESS SUPPORT SERVICES

Every nonprofit business is different. Accounting and support services should be customized to get the best results in each specific case. The following checklist of services may be available to pre-launch, new and existing nonprofit organizations, as applicable, under the terms of an engagement agreement designed to best support the organization's mission.

## PLANNING AND FORMATION

- Discuss organizational forms, sample documents, banking requirements, and state and federal filings in relation to the organization's goals and projections.
- Prepare or review formational document filings as defined and limited under the "Legal Advice" section of the engagement agreement.
- Obtain an EIN.
- Obtain state entity registration number and appropriate state tax accounts.
- Prepare or review an initial cash flow budget.
- Set up a no-fee bank account with online banking services, designated signors, and designated users with defined roles.
- Prepare and submit application for 501(c ) status approval through IRS.
- Prepare and submit application for state sales tax exemption.
- Prepare and submit state charities registration application.
- Prepare and submit state business license applications.
- Prepare and submit federal grant prerequisite applications: DUNS, SAMS, CAGE and others as specified.
- Set up donation payment processing services.

## BOOKKEEPING

- Coaching on selection of the basis of accounting and advising on the advantages and disadvantages of each option
- Setup, maintain and administer online or offline bookkeeping accounts for accounting and budgeting features with two step security for designated users with SSL encryption, automatic online backups, receipt and statement storage with mobile access.
- Maintain user accounts, set user access levels and roles, and provide 'last resort' password and access support for users.
- Establish a method of tracking transactions by typical or specific categories: administrative, program and fundraising.
- Establish a method of tracking funds with donor restrictions and funds without donor restrictions.
- Review, select, install and integrate supplemental software necessary to complete the work included in this engagement.
- Manage Company Settings as requested.
- Maintain electronic connections and data transfer with bank accounts and other financial accounts to the accounting system.
- Maintain the Chart of Accounts and Item Lists within the accounting system as requested.
- Enter all transaction details into the bookkeeping system.

## BANK RECONCILIATION

- Recommend, test, and connect online banking service
- Advise on banking security protocols and internal controls
- Reconcile the bank accounts with the accounting system on a monthly basis within three weeks after the end of the month end.
- Permanently store bank account reconciliation reports with the accounting data.
- Report to management any irregularity or performance outside of expected results.

# PAYROLL

- Advise on evolving compliance with federal and state requirements for employees vs. independent contractors.
- Setup, maintain and administer payroll processing that integrates with the accounting system.
- Secure online portal with mobile device access for employee paystubs and reports.
- Verify employee identification and complete ID filing for new employees.
- Onboard new employees and contractors.
- Provide direction in accordance with IRS to employees who request advice on wage tax withholding amounts.
- File New Hire Reports with the state as required.
- Compliance with employee garnishment and levy requests.
- Keep payroll information secure and unavailable to all other persons inside or outside the company except for payroll reports to authorized and verified company personnel.
- Collect variable pay information via text or email.
- Run payroll on the schedule requested.
- Help employees with calculation W4 withholding amounts on request.
- Direct electronic bank deposit of employee pay by default.
- Direct electronic debit of payroll taxes, processing fee and employee benefits expenses.
- At your option, issue payments by paper check (only if combined with bill payment service).
- File all payroll-related reports, including W2, W3 and 1099s, employer taxes, Form 940 and 941, Form 8974, employee benefits and worker's compensation insurance payment reports including annual audit response.

*(state specific for Pennsylvania):*

- Employer Quarterly Return of Withholding Tax (PA W-3).
- W-2 Transmittal (REV-1667 AS).
- Wage and Tax Statement (State W2).
- Employer's Unemployment Insurance Tax Report (UC-2).
- Employer's Report for Unemployment Compensation (Form Detail UC-2).

- File employer local wage returns as applicable.

*(state specific for New Jersey):*

- Advance compliance with NJ S4202 regarding treatment of employees and contractors.
- Employer Report of Wages Paid (NJ WR-30).
- Employee's Quarterly Report (NJ-927).
- Employer's Quarterly Report for Weekly Filers (NJ-927W).
- Submitter Form NJ-ERW2-S.
- Annual Withholding Reconciliation (NJ-W-3).
- NJ New Hire Report.

*(ask about other state specific payroll services)*

## WORKERS COMPENSATION AND EMPLOYEE BENEFITS

- Work with third party providers to plan and negotiate insurance and benefits.
- Advise on ways to reduce insurance and benefits cost.
- Obtain worker's compensation insurance pricing and offer.
- Integrate workers compensation insurance accounting with payroll.
- Plan and integrate employee benefits with payroll and other financial management systems.

## TAX

- Advise on tax compliance, including possible unrelated business taxable income (UBTI).
- Advise on how to minimize or manage federal, state and local tax obligations in accordance with organizational goals.

## INSURANCE

- Prepare RFPs for various types of insurance on request.
- Read insurance quotes and proposals and make a recommendation to the Board.

## BILLS

- Develop and maintain a company bill payment policy as requested as well as a version of the policy intended for vendors.
- Scan and save copies of all paper bills.
- Enter detail of all bills into the accounting system including the vendor details, amount, account, and memo.
- Securely store electronic copies of all bills with record of payment.
- Obtain approval for bills according to the business approval policy.
- Pay bills as requested according to the bill payment policy.
- Pay by ACH as the default method of payment.
- At your option, issue payments by paper check.
- At your option, assign the fee for a paper check to the payee, obtain payee's consent and subtract the check fee from the disbursement.
- Communicate with vendors on the status of their bill payments.
- File Form 1099 for contractors as required.

## GRANT ADMINISTRATION AND FINANCIAL REPORTING

- Produce defined financial reports as requested by each authorized user/stakeholder. These reports will be noted as unaudited and for management use only.
- Produce a consolidated financial report to the board on a quarterly basis. These reports will be noted as unaudited and for management use only.
- If financial reports or verification are required by a third party, discuss the method to most efficiently meet that requirement.
- Meet specific grant agreement requirements.

## COMPLIANCE FILINGS

- ❑ Prepare the annual federal (Form 990, 1120, 1065 or other) filing with IRS.
- ❑ Prepare foreign asset holding and cybercurrency filings as may be required.
- ❑ Prepare annual state filings as appropriate.

## SECURITY

- ❑ Maintain and use only the latest versions of all software.
- ❑ Keep all computer systems under our control or possession up-to-date with published security patches.
- ❑ Maintain two step security access for all of the company's financial data.
- ❑ Stored all company data on secure online servers protected by 128 bit SLS encryption.
- ❑ No company financial data will be stored on any local devices.
- ❑ Keep copies of all receipts and financial documents in a secure offsite server.
- ❑ Deliver financial reports with private information through a secure portal.
- ❑ Maintain physical encrypted backup copies of financial data, stored in a secure location (safe) on a quarterly basis.
- ❑ Prepare a disaster recovery plan for board approval and offer to incorporate specific approved steps into the work plan.

## ADVISORY

- ❑ Relay relevant information on developing standards, technology and trends affecting the company's financial management.
- ❑ Offer opinions as requested on questions of compliance and accounting.
- ❑ Coaching and advice on dealing with evolving of environmental, social and governance trends for nonprofit boards and management
- ❑ Report to management any observed irregularities, internal control weaknesses or suspected fraud, although this engagement is not designed to spot irregularities or fraud.

## TRAINING AND COACHING

- Provide scheduled telephone or online training to staff and volunteers on request.
- Provide short notice unscheduled response to requests to get “unstuck”.
- Offer scheduled personal training for officers and directors under the program “What Every Board Member Should Know”.
- One-on-one training for nonprofit treasurers and financial management staff and volunteers

## OTHER

- Provide up to specified additional amount of time per month, as requested by each staff member and officer, for any other purpose not included in this service listing.