Five Items for Nonprofits to Check on Now

By Diane DeBok, LAWINRC Editor & Content Manager

As employees and volunteers in the nonprofit sector, you are busy providing your services and maintaining daily operations. You may be dealing with staff turnover, reassigning work duties, and updating procedures. Board or staff members with knowledge of legal requirements, best practices, and organizational history move on and less experienced members join the team. In the process of onboarding new people and the crunch of daily schedules, certain matters that should be dealt with or reviewed on a regular basis can easily fall by the wayside. Whether your nonprofit is large or small, here are five items to check on now or to put on your next meeting agenda to ensure you aren't taken by surprise and find yourself scrambling for answers and solutions as a deadline or crisis looms.

1. **Ensure that a trusted backup person can access important accounts.** If only one person in your organization has the username and password for crucial accounts, a second, trusted person should have the information as well. In case of emergency or in the event that the key person with the credentials leaves the organization or becomes otherwise unavailable, the backup person will have the necessary access. Internal Revenue Service (IRS) accounts and bank accounts are two that immediately come to mind, but backup persons should also have access to other important organizational functions where logging in is required. For example, if an emergency disrupts your organization's services to partners and constituents, can someone post updates or alternatives on the website or on social media accounts until normal operations resume? (Some links under item 5 on preparedness have more information on this.)

2. **Ensure your organization's tax-exempt status**. The IRS website states, "By law, tax-exempt status is automatically revoked if an organization does not file the required Form 990-series returns or notices yearly for 3 consecutive years." When a nonprofit's tax-exempt status is revoked, the process for reinstatement can be time consuming and expensive. If you aren't sure of your organization's status or if your organization's 990 filings are current, see our Check your tax-exempt status page. There you will find links to IRS web pages where you can look up your own organization, learn more about tax-exempt revocation, and find the steps necessary for reinstatement.

3. **Have you filed your organization's biennial report in a timely fashion?** It is not unusual for a staff person or board member to be surprised by a notification that the biennial report for their nonprofit has not been filed. The Iowa Secretary of State's website states that all nonprofit corporations organized within the State of Iowa or authorized to do business within Iowa must file a biennial report with the Secretary of State between January 1 and April 1 of each odd-numbered year. Each corporation's registered agent will receive a Biennial Report notice in early January. Failure to file the report by the deadline can result in the nonprofit organization being administratively dissolved by the Secretary of State's office. Failure to report a change in the organization's registered office or registered agent within 60 days of the change can also result in administrative dissolution. The Secretary of State's office recommends using Fast Track Filing to file biennial reports, update registered office and agent information, and to file other documents online. Creating a Fast Track Filing account is quick, convenient, and offers a

dashboard where past filings are stored and can be reviewed. There is no charge for creating the account and no fee for filing the biennial report.
The current registered office and registered agent should be recorded in your organization's bylaws and updated when that information changes. At the same time, update this information with the Iowa Secretary of State's office. This will ensure that all information is current and that the right person at your nonprofit receives the January notice.

4. **Is your Register of Accountability (ROA) documentation up to date?** The LAWINRC's Register of Accountability is a voluntary listing of nearly 800 Iowa nonprofits that have committed to continuous improvement by implementing the guidelines set forth in the Iowa Principles and Practices for Charitable Nonprofit Excellence. Being listed in the ROA builds public trust and shows supporters that an organization is willing to go the extra mile to be efficient, effective, and responsible. Funders often look favorably upon organizations that are listed in the ROA.

   To be listed in the ROA, nonprofits should meet the two requirements below.

   1) Each year, board members and/or paid staff should complete a total of six hours of documented nonprofit training. Training may be one six-hour session or a combination of shorter sessions totaling six hours. Board members and staff may combine their training to reach the six-hour total. Many training opportunities are included in our Events calendar with sessions that are applicable marked with an asterisk. Our On Demand Learning page lists training that can be completed on one's own time. Other completed training can also be submitted for consideration. All training can be reported on our website using the Report Register of Accountability Training form.
   2) A charitable nonprofit can be added to the ROA after an organizational review of the Iowa Principles and Practices for Charitable Nonprofit Excellence and a board of directors resolution adopting them to pursue as part of its institutional operations. The resolution should be renewed every three years. The sample board resolution on our How to be Listed page may be used as a template. Submit the resolution to the LAWINRC in one of these ways:

      - Email: law-nonprofit@uiowa.edu
      - Fax: 319-335-7614
      - U.S. Mail:
        Larned A. Waterman Iowa Nonprofit Resource Center
        University of Iowa
        130 Grand Avenue Ct.
        Iowa City, IA 52242

5. **Do you have a preparedness plan?** In recent years, more attention has been focused on the importance of preparedness plans to mitigate the effects of natural disasters or other emergency situations. No one wants to think about such eventualities, but nonprofit organizations, large and small, are encouraged to do a risk assessment to determine what kinds of preparedness plans are best fitted to their situations.

Preparedness may be called by different names such disaster planning, emergency preparedness, or business continuity. The disruption could cover an entire geographic location as with a weather event, or it could be localized such as a computer network crashing or burst pipes. Of course, preparedness plans will vary from one organization to another as likely scenarios for each will differ, but to check this item, we encourage organizational leaders who haven't done so to think about the events most likely to disrupt their nonprofit's ability to operate. Once your plan is in place, it should be reviewed regularly to make sure it is still relevant, workable, and up to date. Below are a range of resources you may find helpful.

Ready.gov

The Ready.gov website has information and tips not just for businesses, but for individuals and families as well.

National Council of Nonprofits: A detailed article on Cybersecurity for Nonprofits offers links to additional articles and resources related to cybersecurity.

Candid Knowledge base: Where can I learn more about disaster planning for my nonprofit? provides links to articles to help readers grasp the many disaster planning topics to be considered. The site also includes a list of staff recommended websites that deal with emergency planning.

Nonprofit Risk Management Center: The Future is Now: Preparing for the Unknown Crisis is a comprehensive article that covers building a crisis response team, determining likely crises your nonprofit could face, determining your organization's readiness, and more.

Nonprofit New York: Disaster Planning: This page links to the Word document Disaster Planning, Emergency Preparedness & Business Continuity created by the Nonprofit Coordinating Committee of New York. While some resources in the article are specific to New York, most information is relevant to all organizations and offers ways for your team to start the preparedness conversation.

If you have questions about these or other topics, feel free to contact the LAWINRC by telephone at 866-500-8980 (toll free) or 319-335-9765 or by email at law-nonprofit@uiowa.edu.