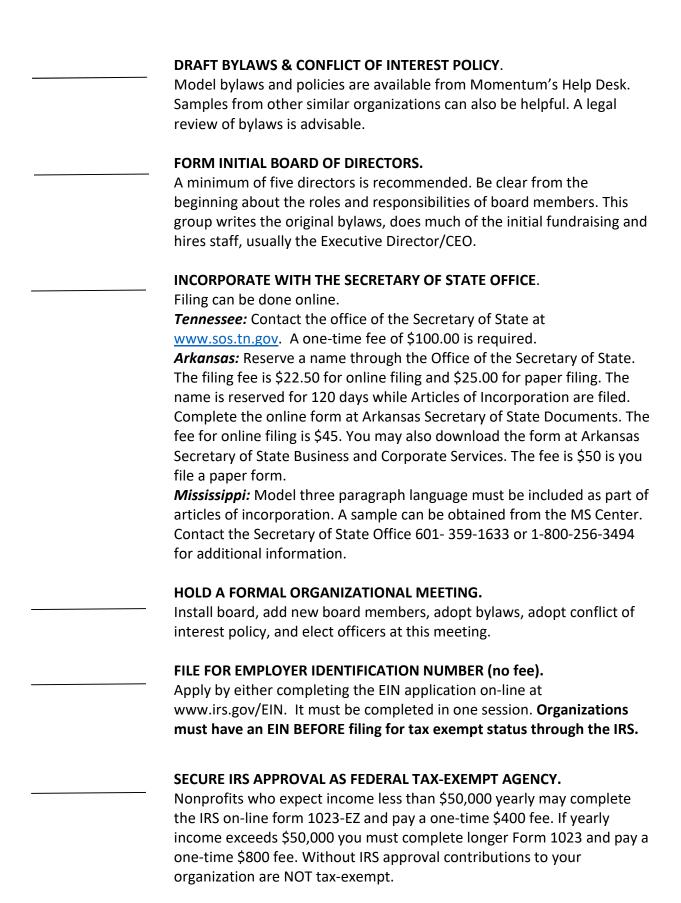


So You Want to Start a 501(c)3 Nonprofit? Complete the Following Checklist:

Date of Completion	
	FORM AN INITIAL EXPLORATORY GROUP.
	Group may be informal or a structured steering committee. Consider who
	needs to be involved from the beginning, as this process can shape the
	organization and affect commitment levels in the future.
	RESEARCH AND DISCUSS PURPOSE AND FEASIBILITY.
	Hold initial planning meetings to build consensus on the purpose and
	form. Develop mission, vision, and establish underlying values, and assess
	the feasibility of the effort. Explore relationships with organizations that
	may be doing similar work, and be sure about whether a new
	organization is really the best way to proceed.
	ASSIGN RESPONSIBILITIES.
	Delegate responsibilities for work including drafting Articles of
	Incorporation and Bylaws, filing for incorporation, developing a program
	plan and budget, planning for fundraising, and building relationships with
	others in the community.
	DEVELOP A PROGRAM PLAN.
	What services will be offered to what clients, when, where, and led by
	whom?
	DEVELOP A FUNDRAISING PLAN.
	Develop a plan to raise funds for daily and program operations.
	ESTABLISH A RECORD KEEPING SYSTEM.
	Use this system for retaining meeting minutes and other organization
	documents.

1





There is no membership fee and membership with Momentum is open to all 501(c)(3) agencies in the Memphis/Shelby County service area, including Madison, Tipton, Fayette, Haywood, and Lauderdale counties in west Tennessee; Tate, DeSoto, and Tunica counties in northern Mississippi; and, Crittenden County in eastern Arkansas. Join here.(insert link to form) Members receive access to digital resources from Standards for Excellence, a Capacity Assessment, discounts on registration fees for learning labs, boot camps and peer networks, free postings on our Nonprofit Job Board, resources and referrals from the Momentum Help Desk, among other benefits.

ESTABLISH A BOOKKEEPING/ACCOUNTING SYSTEM.

Work with a trusted bookkeeper and/or accountant to ensure that financial systems are in place and reporting remains accurate.

OBTAIN SALES TAX EXEMPTION

Tennessee: Certain Tennessee non-profits are eligible to be exempt from Tennessee state and local sales tax. You will need to complete an application for non-profit sales and use tax exemption and submit it and all required documentation (copies of articles, bylaws, IRS determination) to the Tennessee Department of Revenue.

Arkansas: Nonprofit organizations are not exempt from sales taxes on purchases made in Arkansas. For more information, on any exemptions. Nonprofit organizations must collect sales tax on sales of tangible personal property. To do so, they must complete the Application for Arkansas Business Permit. For additional information, contact the Sales & Use Tax Section at (501) 682-7104.

Mississippi: Under Mississippi law few nonprofits qualify for sales tax exemption. For guidance contact the MS Tax Commission at (601) 923-7015.

SECURE SECRETARY OF STATE APPROVAL TO RAISE CHARITABLE FUNDS.

Any nonprofit organization charity seeking to raise funds in each state must register with the state.

Tennessee: Register on-line at www.sos.tn.gov and pay \$50 annual fee prior to launching fundraising efforts.

Arkansas: Visit the website of the Office of the Attorney General at: www.ag.state.ar.us or call (800) 482-8982 for information.

Mississippi: If raising less than \$25,000 per year, file paper Form CE and pay \$50 annual fee. Contact the SOS office, Kathy French at (601) 359-1371 for more information. If raising more than \$25,000 nonprofits must file paper form CE and pay a \$50.00 one-time fee. Contact the office of the Secretary of State.

Note: This checklist was prepared as a guide for persons who are considering forming a charitable nonprofit organization. Depending on the type of program and the sources for funding, further registration, reporting, or licensing may be required.

Momentum Nonprofit Partners provides guidance to organizations on establishing 501(c)(3) status throughout our nonprofit training. However, professional, legal, or accounting advice, consult your attorney or certified public accountant (CPA).

(Adapted from *Starting a Nonprofit-The Essential Checklist* from Mississippi Center for Nonprofits with additional information from *Starting a Nonprofit*, Arkansas Nonprofit Alliance.)

3/2024