Washington Nonprofit Legal Checklist

Last Updated: December 20, 2024

This Washington Nonprofit Legal Checklist (the "Checklist") is intended to help nonprofit corporations in Washington State avoid common legal risks and achieve better legal health. This checklist was created by the lawyers at Communities Rise, a nonprofit organization that seeks to help Washington-based nonprofits and small businesses to grow and thrive.

How to Use This Document

1. This Checklist is organized into six broad categories, and each checklist item pertains to some aspect of legal risk. On the left-hand side of the Checklist you will see columns for "Yes" and "No." This will allow you to use the checklist to track which items you have addressed or not addressed and will help when reviewing this list with an attorney.
2. This Checklist is intended only for publicly supported charities that have been incorporated as a nonprofit corporation in Washington State and which have obtained or are seeking 501(c)(3) status. Private foundations, supporting organizations, or charitable trusts should not use this checklist.
3. This Checklist is not a comprehensive set of all legal risks and obligations that apply to your nonprofit. There may be unique laws that apply to your organization's specific services, depending on the nature of your services, and such laws are not covered in this document.
4. This Checklist is an educational resource for nonprofit leaders. It does not contain legal advice and should not be relied on as legal advice.
5. Laws change often, and this Checklist may become out of date.
6. This Checklist is only a starting point for identifying common legal issues and risks. If you need help resolving specific issues or risks, you should consult an attorney.

Free Legal Help for Nonprofits

Communities Rise offers free legal help to small nonprofits that are unable to afford an attorney. To lean more, contact us at: https://communities-rise.org/contact/

I. REQUIRED RECORDS

Our Organization maintains (in secured electronic or hard copy form) a corporate record book with current, legible copies of the following, which our board of directors regularly reviews:

Yes / Date of Record	No	**Types of Records** *update annually	**Information**
REQUIRED CORPORATE RECORDS			
		Certificate of Incorporation from the Washington Secretary of State	
		Articles of Incorporation, with all amendments	The board of directors should review these documents at least once a year to ensure compliance. See our templates at: https://communities-rise.org/resources/nonprofit-cbo/
		Bylaws, with all amendments	
		Most recent Annual Report to the WA Secretary of State*	
		Registered Agent • Our Annual Report shows our registered agent's up-to-date physical address. • If we use a commercial registered agent service, then we have paid the service annually and verified they have our up-to-date contact information.	A registered agent receives legal mail and service of process (e.g., getting served court papers) on behalf of the nonprofit. They must publicly provide a physical address where they may regularly be found, like a work or home address.
		File Annual Renewal Charity Renewal with the WA Secretary of State*	
		Registrations and annual filings under the charitable solicitations laws of each state where our Organization solicits donations from.	See: https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-solicitation-state-requirements
REQUIRED RECORDS OF THE BOARD OF DIRECTORS			
		List of all current Board members (name, address, term)	See RCW 24.03A.210(2)(d).
		List of all current Officers (name, address, term)	See RCW 24.03A.210(2)(d).
		Minutes of all meetings of the Board	See RCW 24.03A.210(1)(a).
		Minutes of all meetings of each Committee of the Board	See RCW 24.03A.210(1)(c).
		Records of all actions taken by the Board through unanimous written consent without a meeting.	See RCW 24.03A.210(1)(b).
		Record of all actions taken by a Committee of the Board through unanimous written consent without a meeting.	See RCW 24.03A.210(1)(c).

Yes / Date of Record	No	Types of Records *update annually	Information
REQUIRED RECORDS OF NONPROFIT MEMBERSHIP CORPORATIONS			
		List of all current members (name, address, membership type / number of votes)	See RCW 24.03A.210(4).
		Minutes of all meetings of the Members	See RCW 24.03A.210(1)(a).
		Records of all actions taken by the Members through unanimous written consent without a meeting.	See RCW 24.03A.210(1)(b).
		All communications to the membership in the last 6 years.	See RCW 24.03A.210(2)(c).
		Copies of all financial statements provided to members upon their request within the last 6 years.	See RCW 24.03A.210(2)(c).
REQUIRED IRS DOCUMENTS			
		Federal Tax ID: Employer Identification Number (EIN)	See: https://www.irs.gov/businesses/small-businesses-self-employed/get-an-employer-identification-number
		Form 1023 or 1023-EZ: Application for 501(c)(3) Tax-Exempt Status	https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status
		Tax-Exempt Determination Letter from the IRS	
		Form 990-series annual tax returns*	
		Policies requested by the IRS: • Conflict of Interest Policy • Whistleblower Policy • Document Retention and Destruction Policy	The board of directors should review all enacted policies at least once a year to ensure compliance. See our templates at: https://communities-rise.org/resources/nonprofit-cbo/
REQUIRED LICENSES			
		State Business License from the Washington Department of Revenue, and annual state excise tax returns*	See: https://dor.wa.gov/open-business/apply-business-license
		City Business license from each city you regularly operate in, if required, and annual city tax returns*	For example, Seattle: https://www.seattle.gov/city-finance/business-taxes-and-licenses/business-licenses
		County Business license from each county you regularly operate in, if required	For example, King County: https://kingcounty.gov/en/dept/local-services/certificates-permits-licenses/permits/business-licenses
		Any special licenses, permits, or registrations required for certain unique activities or services.	

Yes / Date of Record	No	**Types of Records** *update annually	**Information**
ADDITIONAL REQUIRED RECORDS			
		Maintain financial records (Best practice: keep for at least 7 years)	
		List of donors	Keep donor list private, but you may need to disclose certain large donors on Form 990 Schedule B.
ADDITIONAL RECOMMENDED RECORDS			
		Additional Recommended Policies • Reimbursement Policy • Gift Acceptance Policy • Volunteer-Related Policies	The board of directors should review all enacted policies at least once a year to ensure compliance. See our templates at: https://communities-rise.org/resources/nonprofit-cbo/
		Contracts signed by the Organization: grants, leases, vendor agreements, fiscal sponsorship agreements, etc.	
		Insurance Policies • General Business Liability Insurance • Directors and Officers (D&O) Liability Insurance	

II. FINANCIAL GOVERNANCE

Yes / Date Reviewed	No	Checklist	Information
A. GOOD FINANCIAL GOVERNANCE			
		Our Organization prepares and maintains financial statements and statements of accounts on a regular basis.	Financial statements include a Profit & Loss Statement and a Balance Sheet. Statements of Account refer to bank statements balanced monthly.
		Our Board regularly reviews the Organization's financial statements, and the Board reviews and approves the annual IRS Form 990 tax return.	
		Our Organization has its own bank account, with more than one authorized signer. Individuals who have left the Organization have been removed from the bank account.	

Yes / Date Reviewed	No	Checklist	Information
		Our Organization has established financial internal controls and separation of duties to mitigate the risk of fraud. If necessary, our Organization has secured expert advice on this topic. Our Board regularly revisits this topic to ensure compliance.	To learn more, see: https://www.501commons.org/resources/tools-and-best-practices/financial-management
B. FUNDRAISING			
		Our Organization provides donors with receipts of their donations of $250 or more in compliance with IRS rules.	See: https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contributions-written-acknowledgments
		If a donor pays our Organization extra for a good or service so that the "extra" can be a donation, we know how to provide a receipt that complies with IRS rules.	See: https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contributions-quid-pro-quo-contributions
C. SPENDING RESTRICTIONS			
		Our Organization complies with any spending restrictions that may come with certain funds from grants or donors.	
		Our Organization does not lend money to (or guarantee any financial obligation of) any officer or board member.	
		Our Organization has sought legal advice before paying board members or officers for their work.	
D. LIABILITY INSURANCE			
		Our Organization has (1) General Business Liability Insurance and (2) Directors and Officers (D&O) Liability Insurance. The board has reviewed the policies and understands what they cover.	Both types of insurance may be available under one policy, depending on the insurance provider.
		Our Articles of Incorporation contain well-drafted sections on the following topics: • Limitation of Liability • Indemnification	See our template Articles of Incorporation at: https://communities-rise.org/resources/nonprofit-cbo/

III. VOLUNTEERS

Yes / Date Reviewed	No	Checklist	Information
A. KEY VOLUNTEER PAPERWORK			
		When volunteers engage in work that could result in even minor injury, we ask volunteers to sign a Volunteer Waiver of Liability form.	
		We ask volunteers to sign a Volunteer Acknowledgment form, which clarifies that the volunteer's labor is given freely without any expectation of compensation.	
		We ask volunteers to sign a Photo Release form. See below, Section VI.A., Photos.	See our sample form at: https://communities-rise.org/resources/nonprofit-cbo/
		Our Organization has determined whether to provide worker's compensation insurance for our volunteers. See below, Section V.E., Workers' Compensation Insurance.	
		We ask volunteers to sign an Intellectual Property and Confidentiality Form. See below, Section VI.B. Volunteers and Intellectual Property.	

IV. LOBBYING AND ADVOCACY

Yes / Date Reviewed	No	Checklist	Information
A. FEDERAL REQUIREMENTS			
		Our Organization does not endorse candidates for political office and does not participate in any political campaign for or against a candidate for any public office. Our Organization's activities related to elections for public office are strictly nonpartisan.	
		Lobbying: • Our Organization understands it may engage in legislative lobbying so long as it complies with IRS spending limits. • If our Organization regularly engages in legislative lobbying, we have filed IRS Form 5768, which sets clearer monetary limits on legislative lobbying. • Our Organization properly tracks all expenses and staff time spent on legislative lobbying.	Learn more: https://afj.org/resource/what-is-lobbying/

Yes / Date Reviewed	No	Checklist	Information
B. STATE AND LOCAL REQUIREMENTS			
		If our Organization lobbies on Washington State legislation, then we have registered with and make regular filings to the Washington Public Disclosure Commission (PDC)	Learn more: https://afj.org/resource/practical-guidance-what-nonprofits-need-to-know-about-lobbying-in-washington/
		If our Organization lobbies on local legislation from a city or county, then we comply with that city or county's lobbying laws, which may include registration and filing requirements.	E.g., the City of Seattle: https://www.seattle.gov/ethics/lobbying King County: https://kingcounty.gov/en/dept/executive-services/about-king-county/business-operations/risk-management-services/lobbyist-registration

V. EMPLOYMENT LAW

Yes / Date Reviewed	No	Checklist	Information
A. CLASSIFYING OUR PAID WORKERS CORRECTLY			
		Our Organization correctly categorizes our paid workers as either employees or independent contractors, and we treat our workers appropriately for their category. Our Organization has consulted with an employment law attorney if we are unclear about how to classify a worker.	Most paid workers who carry out the core work of the organization will be considered employees under the law, even if a contract says they are an independent contractor.
		When hiring independent contractors, our Organization: • signs a contract with each independent contractor, and • annually prepares IRS Form 1099-MISC or Form 1099-NEC for each of our independent contractors.	See: https://www.irs.gov/instructions/i1099mec
B. ONBOARDING PAPERWORK			
		Our Organization completes Form I-9 for all employees, verifying their eligibility to work in the U.S.	See: https://www.uscis.gov/i-9
		Our Organization receives IRS Form W-4 from each employee so that we can make the appropriate income tax deductions from their paychecks.	See: https://www.irs.gov/forms-pubs/about-form-w-4

Yes / Date Reviewed	No	Checklist	Information
		Our Organization reports all newly hired and rehired employees to the WA Department of Social and Health Services (DSHS), Division of Child Support.	See: https://www.dshs.wa.gov/esa/division-child-support/new-hire-reporting
C. ANTI-DISCRIMINATION LAWS			
		Our Organization follows applicable federal, state, county, and city anti-discrimination laws (based on our number of employees) that make it illegal to discriminate in employment based on certain protected statuses, including race, gender identity, disability, and other traits.	See, e.g., https://www.hum.wa.gov/employment
		Our Organization complies with laws designed to limit discrimination based on criminal history.	See, e.g., https://www.atg.wa.gov/fair-chance-act
		Our Organization complies with laws that bar discrimination in pay based on gender, race or other protected classes.	See: https://www.lni.wa.gov/workers-rights/wages/equal-pay-opportunities-act/
		Our Organization complies with laws that limit an employer from inquiring about the wage or salary history of an applicant (aimed at gender discrimination)	See: https://www.lni.wa.gov/workers-rights/wages/equal-pay-opportunities-act/#job-applicant-protections
D. WAGE AND LABOR STANDARDS			
		Our Organization pays all employees at least minimum wage.	See: https://lni.wa.gov/workers-rights/wages/minimum-wage/
		Our Organization understands its obligation to pay overtime pay, and it understands which of its employees are exempt from overtime pay.	See: https://lni.wa.gov/workers-rights/wages/overtime/
E. WORKPLACE SAFETY			
		Our Organization complies with the Washington Industrial Safety and Health Act (WISHA) which sets standards for employee workplace health and safety.	See: https://www.lni.wa.gov/safety-health/
		Workers' Compensation Insurance: • Our Organization has purchased workers' compensation insurance for all employees, as required by Washington state law. We pay our premiums and file quarterly reports. • Our Organization has evaluated whether we wish to provide Workers Compensation coverage for volunteers who may get injured while volunteering.	Learn more: https://lni.wa.gov/insurance/insurance-requirements/volunteers#who-can-cover-volunteers

Yes / Date Reviewed	No	Checklist	Information
F. EMPLOYEE BENEFITS			
		Our Organization understands its legal obligations under federal, state, and local laws to provide the following basic employment benefits. Our Organization complies with required employee paycheck deductions, employer contributions, and regular reporting requirements in accordance with these obligations. • Social Security and Medicare • Unemployment Insurance • Workers' Compensation Insurance • Paid Family and Medical Leave • Paid Sick and Safe time	See: • https://www.irs.gov/taxtopics/tc751 • https://esd.wa.gov/employer-requirements/unemployment-taxes • https://lni.wa.gov/insurance/insurance-requirements/do-i-need-a-workers-comp-account/ • https://paidleave.wa.gov/ • https://www.lni.wa.gov/workers-rights/leave/paid-sick-leave/
G. EMPLOYER'S PAYROLL TAX OBLIGATIONS			
		Federal Payroll Taxes: • Each payday, our Organization (or payroll service) withholds required federal payroll taxes from employees' paychecks. • Semi-monthly or monthly, our Organization (or payroll service) pays our required federal payroll taxes to the IRS by electronic funds transfer. • Quarterly, our Organization (or payroll service) files Form 941 to report information to the IRS on payment and reconciliation (as needed) of federal payroll taxes. • Quarterly, as necessary, our Organization (or payroll service) pays Federal Unemployment Tax (FUTA) to the IRS by electronic funds transfer. Annually, our Organization files Form 940 to report annual FUTA tax liability and payment information to the IRS.	See the IRS Employer's Tax Guide: https://www.irs.gov/publications/p15
		State Payroll Taxes: • Each payday, our Organization (or our payroll service) withholds required WA State payroll taxes and contributions from employees' paychecks. • Quarterly, our Organization (or payroll service) pays our required state payroll taxes and files reports with the WA Employment Security Department (ESD) and the WA Department of Labor and Industries (L&I).	See: • https://esd.wa.gov/employer-requirements • https://esd.wa.gov/employer-requirements/unemployment-taxes/employers-guide-paying-taxes • https://www.lni.wa.gov/insurance/quarterly-reports/file-quarterly-reports/
		Annually, our Organization (or payroll service) prepares and delivers IRS Form W-2 for each of our employees.	See: https://www.irs.gov/FormW2

Yes / Date Reviewed	No	Checklist	Information
		Annually, our Organization (or payroll service) prepares and delivers IRS Form 1099-MISC or Form 1099-NEC for each of our independent contractors.	See: https://www.irs.gov/instructions/i1099mec
H. EMPLOYMENT POLICIES			
		Our Organization has worked with experienced employment counsel to compile our employment policies into an employee handbook for distribution to employees.	

VI. INTELLECTUAL PROPERTY LAW

Yes / Date Reviewed	No	Checklist	Information
A. OWNERSHIP AND LICENSING			
		Trademarks: • Our Organization has considered whether to register trademarks for any of its unique names, logos, or symbols. • We are confident that our Organization's names, logos, and symbols do not infringe on the rights of any other organization.	State registration: https://www.sos.wa.gov/corporations-charities/additional-services/ trademarks Federal registration: https://www.uspto.gov/trademarks
		Copyrights: • Our Organization has considered whether it should register copyrights for its original works or designs (e.g., training materials, pamphlets, artwork, music, etc.).	Learn more: https://www.copyright.gov/what-is-copyright/
		Photos: • We ask anyone whose photo is featured prominently on our website, social media, or materials to sign a Photo Permission Form (also known as a Photo Release form). • At public events, we provide notice to guests that we will be taking photos of the event. • We ask volunteers to sign a.	See our sample photo release form at: https://communities-rise.org/resources/nonprofit-cbo/
		Our Organization has considered whether it would be appropriate to create, give, or sell licenses to permit others to use our materials.	

Yes / Date Reviewed	No	Checklist	Information
		When our Organization enters into contractual agreements with third parties to perform services, our agreements state that our Organization has full ownership rights in any intellectual property created in the course of the contract work.	
B. VOLUNTEERS AND INTELLECTUAL PROPERTY			
		If a volunteer helps with creating or revising the Organization's intellectual property (such as drafting documents, designing logos, taking photos, creating artwork, etc.), or if a volunteer donates a work they created to the Organization, we ask that volunteer to sign an Intellectual Property Agreement.	Volunteers have ownership rights over all intellectual property they help create, unless they explicitly give those legal rights to the Organization. Use our "Intellectual Property and Confidentiality Sample Agreement" at: https://communities-rise.org/resources/nonprofit-cbo/
		All volunteers who work with or handle our Organization's confidential or sensitive information are required to sign a Nondisclosure Agreement (NDA).	
C. WEBSITE			
		Our Organization has implemented a written privacy policy that describes how we use and disclose personal information collected from our website and our activities. Our Organization regularly confirms that it is complying with the privacy policy.	
		Our Organization's website has a Terms of Service document to protect the Organization from various forms of liability.	See our sample Terms of Use at: https://communities-rise.org/resources/nonprofit-cbo/