

NONPROFIT BUSINESS SUPPORT SERVICES CHECKLIST

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 "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.
- ☐ Obtain 501(c) status approval through IRS.
- ☐ Obtain a state sales tax exemption.
- ☐ File state charities registration.
- ☐ File federal grant prerequisites: DUNS, SAMS, CAGE.

BOOKKEEPING

- ☐ Setup, maintain and administer online bookkeeping account 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

- ❑ 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.

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.

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.
- ☐ Advise on how to minimize or manage federal, state and local tax obligations in accordance to 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.

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.

GRANT ADMINISTRATION

- ❑ Read and retain required grant documentation.
- ❑ Prepare periodic reports as may be required by the grantor or the grant administrator.
- ❑ Communicate with the grant administrator on questions or open issues as they may arise.
- ❑ Prepare annual or grant closing statements as appropriate.

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.
- ❑ Discuss with the board the changing regulatory and legal framework of required disclosures, especially regarding donors.

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 AND ESG POLICYMAKING

- ❑ 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.
- ❑ Share developments and sample documents in the area of environmental, social and governance (ESG) for purposes of consideration and modeling of evolving standards.
- ❑ Report to management any observed irregularities in 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".

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.

SERVICE LEVELS AND PRICING OPTIONS

FORMATION OR SINGLE ISSUE

- ☐ Includes primarily planning discussions and advice
- ☐ May also include specific items selected
- ☐ Single fee of \$____

ESSENTIAL SERVICES OPTION

- ☐ Includes only the items selected
- ☐ Other items are available at the “Small matters” rate up to an additional 25% of base rate
- ☐ \$ ____ per month ¹

STANDARD CONTROLLER SERVICE

- ☐ Standard controller service as applicable specifying the allocation of responsibilities between your staff, volunteers and my staff ²
- ☐ \$____ per month ¹

PREMIUM OPTION

- ☐ Standard controller service plus:
- ☐ Direct telephone/text access that bypasses office manager
- ☐ Same business day response
- ☐ Ensures up to 1/2 hour per day additional unscheduled communications on demand
- ☐ \$ ____ per month ¹

¹ For purposes of a starting point on pricing discussions, we typically start with 4 percent of anticipated grant or donor funding amount and then look for reasons why the accounting services agreement will likely cost more or less than this amount. In general, well managed smaller nonprofit organizations pay a higher percentage of total budget toward professional accounting and administration than larger organizations who are more likely to have professionals on staff.

² The starting point assumption with smaller nonprofit organizations is that the industry best practice pattern indicates that internal and program responsibilities are best handled by staff and volunteers and external and compliance responsibilities are best handled by a contracted professional service provider.

EVOLVING SERVICE AND DOCUMENTATION

- ☐ Services we offer evolve over time as a matter of law, changing technology and emerging best practices.
- ☐ All services, regardless of level of service selected, are governed by a separate written and executed engagement agreement that defines the details and overrides this listing of services in the event of any conflict.