



Organization Checklist

A designated North Carolina Main Street community is charged with implementing a downtown revitalization initiative that is based on Main Street America's Four-Point Approach™: *Organization, Design, Promotion and Economic Vitality*. The *Organization* component is designed to build human and financial resources for downtown within the context of a public/private partnership. Organization is the foundation that holds up and sustains the program. Without the organizational foundation, the Main Street program will not survive much less thrive. The public/private partnership is a critical component that provides the resources necessary for a community to effectively implement *Design, Promotion and Economic Vitality*. While North Carolina designates the City/Town as a Main Street community the City/Town has the option of designating a nonprofit to manage the Main Street program or keep it in house. This public/private partnership should be a symbiotic relationship. With that in mind, well over 50% of our designated Main Street communities have a nonprofit associated with the organization. It is the responsibility of both the board and the staff to establish and manage a system of operations for the organization. This document is a checklist of basic guidelines recommended by the NC Main Street and Rural Planning Center for managing a Main Street program.

*Note: while geared toward the nonprofit city/town run Main Street programs should review this checklist and apply these as appropriate.

Operational Documents: A nonprofit organization must operate as a business and must abide by all federal, state, and local laws.

- Articles of Incorporation:** *The primary rules governing the management of a nonprofit corporation are filed with the Secretary of State and the Internal Revenue Service when filing for tax-exempt status.*
 - Draft or review this document and identify if it needs to be filed or updated with the North Carolina Department of the Secretary of State. <http://www.secretary.state.nc.us>
 - If your principal office changes, file an update with the NC Department of the Secretary of State

- Bylaws:** *The ruling documents for the organization's board of directors. They define how the board will conduct its business. Bylaws set forth the basic structure and the abilities of the board.*
 - Basic Components of Bylaws should include:
 - Name and Offices of the Organization
 - Purpose
 - Membership
 - Board of Directors, Committees and Officers
 - Staff
 - Meetings
 - Voting
 - Conflict of Interest
 - Fiscal Policies
 - General Provisions
 - Amendments
 - Language within bylaws should allow for the **continuity** and **sustainability** of the organization.
 - Structure term limits that allow rotation of no more than 1/3 of the board each year.
 - Compose board holistically to include those with a vested interest in downtown.
 - Provide a system that transitions leaders into officers.

- **Federal Employer Identification Number:** *The identification number that is assigned by the IRS to identify a business entity. This number will be required for all communication with the Federal Government.*
 - Apply for a Federal Employer Identification Number by completing Form SS-4
<http://www.irs.gov/businesses/small/article/0,,id=97860,00.html>

- **Tax Exemption Status:** *The ruling or determination letter that recognizes your organization as tax exempt from the IRS.*
 - Are you a tax-exempt nonprofit organization?
 - Do you know your tax-exempt status? 501(c)3? 501(c)4? 501(c)6?
 - Do you know the allowable activities for your non-profit status?
 - To apply for tax-exempt status, an organization must complete an application and attach organizational documents: articles of incorporation, bylaws, board of directors' roster.
 - For more information, <http://www.irs.gov/pub/irs-pdf/p557.pdf>

- **NC Business Registration Application, *Form NC-BR*:** *All nonprofits in North Carolina must apply to the North Carolina Department of Revenue for exemption from State Sales Tax. If the organization has paid staff, they must also obtain a State Withholding Identification Number. All nonprofits must also follow all state and federal laws related to employment.*
 - For more information on Sales & Use Tax Exemption:
<http://www.dor.state.nc.us/faq/sales.html#registration>
 - For more information on State Withholding Tax:
http://www.dor.state.nc.us/taxes/wh_tax/faq.html#registration
 - For more information on labor laws: <http://www.nclabor.com>

- **Insurance:** *An organization needs to have several types of insurance in order to safeguard the overall health/existence of the organization.*
 - **Workers Compensation Insurance:** Medical care compensation for employees who are injured in the course of employment.
 - If you have three or more employees (full time or part time) employers are obligated to carry Workers Compensation Insurance.
 - For more information on Worker's Compensation Insurance, Contact the NC Department of Insurance <http://www.ic.nc.gov/employers.html>

 - **General Liability Insurance:** Defends third property damage and bodily injury claims arising out of the day-to-day operations and premises of the organization.
 - It does not provide the same protection that Directors and Officers insurance provides. (see below)
 - Some insurance companies will include coverage for special events by endorsement. Depending on the type of event, you may have to purchase separate special event liability insurance.

 - **Directors (or Board) & Officers Insurance:** Directors & Officers liability insurance only covers non-bodily injury claims. Insurance provides coverage against wrongful acts which might include actual or alleged errors, omissions, misleading statements, and neglect or breach of duty on the part of the board of directors and other insured persons and entities. It serves to protect the personal assets of the board members. Sometimes, people may decline to serve on your board if the organization does not have this insurance.
 - Make sure your policy includes employment practices liability (EPL) coverage.

- **Volunteer Accident Coverage:** Covers accidental death and dismemberment benefits, as well as medical expenses incurred by a volunteer who is injured during the course of volunteering.
 - Volunteer Waiver: While you should have volunteers sign a waiver, it does not preclude the need for volunteer accident coverage. It may help protect you if a volunteer does file a lawsuit.
 - **Special Event Liability Insurance:** Defends against third party property damage and bodily injury claims arising out of events sponsored or hosted by your organization.
 - Even though you have this insurance, do all you can to reduce your liability exposure. Have contracts with your vendors and/or contractors and make sure they are insured as well. Consider security and safety risks that may occur at your events. Follow all state-mandated protocols for rides/activities at your event.
 - **Liquor Liability Insurance:** Defends claims attributed to the serving of any alcoholic beverages at your event. You must follow any and all state mandated (ALE) protocols for serving alcohol at your event. Use experienced and responsible servers.
 - **Property or Renters Insurance:** This insurance covers the organization's property including business contents, building and business income against loss by fire, theft, and other perils. If you own exhibit booths, festival decorations, etc., it could include coverage enhancements for those situations.
- NC Unemployment Tax Number and Employer's Quarterly Tax & Wage Report:** *The North Carolina Employment Security Commission Regulations require each employer to submit true and accurate information for determining tax liability.*
- If you have four or more employees (full time or part time), working at least 20 weeks in a calendar year, you are required to apply for an Unemployment Tax Number with the NC Employment Security Commission and then file Quarterly Tax & Wage Reports.
 - For more information, Contact the NC Employment Security Commission <https://www.ncesc1.com/business/web604/web604Main.asp>
- NC Charitable Solicitation License:** *Any organization that intends to directly solicit contributions in North Carolina must first obtain a license from the NC Secretary of State if they raise more than \$25,000 in a calendar year.*
- Organizations must renew their license each year within 5.5 months following the close of the fiscal year in order to maintain licensed status.
 - For more information: Contact the NC Secretary of State Charitable Solicitation Licensing Division: <http://www.secretary.state.nc.us/csl>
- Filing Nonprofit Tax Returns:** *All nonprofits with annual gross receipts of more than \$25,000 must file Form 990 within 5.5 months after the close of each fiscal year. All nonprofits with annual gross receipts of less than \$25,000 must file an E-Postcard annually.*
- Forms are available at <http://www.irs.gov/charities/index.html>
- D-U-N-S Number:** *The DUNS number is a unique nine-character number that identifies your organization. It is a tool of the federal government to track how federal money is distributed. Some Grants require a D-U-N-S number:*
- http://www.dnb.com/US/duns_update

- Back-up copies of your organization's operating documents:** *You should have both a hard copy and electronic back-up) of all of your important organizational documents. House one of the back-ups in a safe, OFF-SITE location in the event of a theft or manmade/natural disaster.*
 - Regularly do an electronic back-up other important document (Downtown property inventory list, volunteer contacts, vendor contacts, festival forms etc.) which are housed on the organization's computer(s) in the event of any technology mishap, fire, theft etc. Again, keep in a safe, offsite location.
- Learn more about starting or operating a nonprofit corporation:**
 - <http://www.secretary.state.nc.us/corporations>
 - [http://www.ncnonprofits.org/faq/HowToStartA501\(c\)\(3\)Nonprofit.pdf](http://www.ncnonprofits.org/faq/HowToStartA501(c)(3)Nonprofit.pdf)

Nonprofit Policies: A nonprofit organization must establish policies that serve as the rules of operation.

- Conflict of Interest Policy for Board Members:** *A policy, as recommended by the IRS, designed to protect the interest of the organization when it is considering entering into a transaction or business arrangement that could benefit private interests of an officer or director of the Corporation.*
 - North Carolina Main Street recommends a separate document signed by board members, kept on file, and made current as new board members cycle onto the board.
- Personnel Policy for Staff:** *A policy intended to outline the procedures for managing the human relations work of nonprofits. (If downtown position is employed by the City, there would be a city personnel policy.)*
 - Should define the roles of the Board in relation to the staff.
 - Equal Opportunity employment practices
 - Performance Evaluation Policy
 - Probationary Period
 - Harassment Policy, Drug Free Workplace Policy/Conditions
 - Grievance Procedures
 - Termination Policy defines circumstances applying to either employee or employer for termination or resignation.
 - Compensation schedule, pay raises, salary deductions, longevity and bonus pay.
 - Benefits
 - Attendance and Leave
 - Educational Opportunities
 - Travel and defined miscellaneous reimbursements.
 - Conflict of Interest Policy for staff
- Fiscal Policy:** *A policy intended to outline the procedures of managing the finances of the nonprofit. (If the downtown program is managed through the City, there will be a city fiscal policy.)*
 - General statement about policies and procedures
 - Segregation of Duties
 - Budgets
 - Cash Management
 - Petty Cash
 - Cash Receipts
 - Contracts & Bids
 - Purchasing

- Cash Disbursements – Non-Payroll
 - Cash Disbursements – Payroll
 - Fixed Assets
 - Inventory Management
 - Financial Programs & Grants
 - Donation of Materials, Facilities & Services
 - Sales & Use Tax Paid
 - Accrual Reporting
 - Depreciation
 - Close Out
 - Tax Compliance
 - Programs & Events
- Social Media Policies.** Social media policies should be established for any Main Street organizational structure whether government or non-profit.
- Artificial Intelligence or AI Policies.** With AI being at the forefront of nearly every aspect of our life and more organizations incorporating the use of AI, policies should be written as to best practices when it comes to utilizing AI within the organization.

Nonprofit Procedures: A nonprofit organization must establish procedures for managing the human and financial resources of the organization and for annual planning and growth.

Volunteers

- Board of Directors Roles & Responsibilities, Roster, System for Recruitment, & Training**
- Utilize a board member matrix to identify skills and talents of existing board members and to identify gaps in the organization's skills and talents that may be needed in order to accomplish the organization's mission, goals, and objectives.
 - Follow the organization's bylaws to appoint new board members.
 - Maintain a current Board Member Roster and update annually or each time board members change.
 - Align board member appointments to the organization's fiscal year.
 - Write job descriptions for board members and officers.
 - Prepare a board contract that outlines the expectations and responsibilities of serving on the board.
 - Prepare a board notebook for each board member and conduct new board member training at the beginning of the fiscal year. Board notebooks can be set up electronically as well. They should include:
 - the Main Street Four-Point Approach
 - history of the organization, vision for downtown, mission, goals, and objectives of the organization
 - current makeup of the board
 - general job description for a board member
 - ALL time commitments involved including retreats, committee meetings and special events.
 - any financial commitments required.
 - strengths and weaknesses of the organization
 - why the board member was asked to serve on the board.
 - **Track all volunteer hours.** Use: <https://independentsector.org/resource/value-of-volunteer-time>
[Value of Volunteer Time Report | Independent Sector Resources](#)

- Meetings of the board
- Committee meetings
- Events

Committee Roles & Responsibilities, Roster, and System for Recruitment

- Establish committees in accordance with the organization's bylaws. NCMS recommends establishing committees in accordance with the Main Street Four-Point Approach: Organization, Design, Promotion, and Economic Vitality. Many nonprofits also have an executive committee to address day-to-day business that may occur between board meetings.
- Maintain a current Committee Member Roster and update annually or each time committee members change.
- Elect committee chairs that are board members. Establish expectations for each committee chair to report on their committee's work at each board meeting.
- Write job descriptions for each established committee and committee chair.
- Conduct new committee member training for each committee at the beginning of the fiscal year and include:
 - the Main Street Four-Point Approach
 - history of the organization, vision for downtown, mission, goals, and objectives of the organization
 - current makeup of the committee
 - general job description for committee members
 - ALL time commitments involved including retreats, committee meetings and special events.
 - any financial commitments required.
 - strengths and weaknesses of the organization
 - why the committee member was asked to serve on the committee.
- Track all volunteer hours. Use Independent Sector for the value of a volunteer: <https://independentsector.org/resource/value-of-volunteer-time/>
 - Board meetings
 - Committee meetings
 - Events
 - Etc.

Volunteer Roles & Responsibilities, Roster, and System for Recruitment

- Define tasks and opportunities for individuals and community organizations to volunteer downtown.
- Write job descriptions for each volunteer opportunity.
- Maintain a current volunteer roster and update annually or as needed.
- Conduct training for all volunteers.
- Track all volunteer hours. <https://independentsector.org/resource/value-of-volunteer-time/>

Employees

Employee Roles & Responsibilities and System for Recruitment

- Write job descriptions for each staff member.
- Prepare employment contracts or agreements that outline the expectations and responsibilities of serving the organization and outline the salary and compensation package that is mutually agreed upon.
- Train staff to successfully administer the Main Street downtown revitalization initiative.
- Develop a workplan for each staff member that clearly defines expectations of what they will accomplish.

- Establish a form for evaluating staff.
- Plan for staff positions and establish a system for filling staff vacancies.
- Conduct annual evaluations of all staff in accordance with the organization's Personnel Policy and compensate staff accordingly.

Annual Planning

□ Annual Plan of Work

- Establish an annual planning process that is aligned with the organization's fiscal year. (Usually completed prior to funding requests)
- Host an annual board planning retreat to prepare an annual plan of work.
- Evaluate and define the community's Economic Drivers (The reasons that people come to the community to work, live, or play)
- Define a community-wide vision for downtown (the economic role of downtown)
- Write a downtown economic positioning/vision that includes the economic development strategies within the statement.
- Define the mission of the organization (the job or purpose of the organization in accomplishing the vision for downtown)
- Define Goals of the organization for each of the four points (what the organization is going to do in order to accomplish the mission of the organization and the vision for downtown)
 - Define Objectives (why the organization is going to accomplish the goals that they have outlined)
 - Define Actions (how the organization is going to accomplish the goals and objectives that they have outlined)
 - Define Tasks (the steps that the organization is going to take to accomplish the strategies that they have outlined)
 - Who will carry out and report back to board?
 - Is it to be accomplished in-house or outsourced?
 - What are the costs in time and money?
 - What partners are needed in order to accomplish each task?
 - When is each task to be completed?

Meetings, Agendas, Minutes & Voting

□ Board Meetings & Agendas

- Establish a regular time and place for the board to meet.
- Properly call board meetings in accordance with the bylaws
- The Executive Committee and Staff should jointly establish the board agenda that allows time for the board to:
 - act (to vote) on items necessary for the organization and staff to conduct business the following month or year.
 - become more educated about the Main Street program.
 - hear action reports from the work of the committees.
 - define parameters & process for public input – seating, specific time on agenda to speak, etc.
- Remember that the purpose of board meetings is to allow time for the board to conduct board business. The Board President should manage the board meeting to accomplish this objective.
- Educate officers and board members on what issues are able to be discussed in private session (personnel and real estate)

Committee Meetings & Agendas

- Establish a regular time and place for the committees to meet.
- The Committee Chair and Staff should jointly establish the committee agenda that allows time for the committee to:
 - discuss and plan the specifics of accomplishing the goals, objectives and strategies as outlined by the board of directors.
 - become more educated about the Main Street program.

Minutes

- Responsibility of the Organization's Secretary or assigned staff to maintain minutes of the organization.
- Responsibility of the Committee's chair or assigned staff to maintain minutes of each committee.
- May need to record the meeting in order to supplement notes taken by hand.
- Attach any documents handed out at meeting-to-meeting minutes.
- Should have paper and electronic copies as back-up.
- Make sure you thoroughly document all votes and actions taken.
- Minutes are open record. Establish a system where the public may access minutes if requested, either electronically or hard copy.

Voting

- Votes should be taken on.
 - Financial matters, including annual budget.
 - Personnel matters
 - Committee matters
 - Annual plan of work
 - Actions necessary for moving the organization forward on the annual plan or work.

Financials

Annual Budget

- Establish a sustainable budget that diversifies revenue sources and defines expenditures by Personnel, Operating and Programming costs.
- Align the budget to accomplish the annual plan of work.
- Approved by the board of directors.
- Present to all funding partners as needed.

Maintain Financial Records

- Establish a bookkeeping system (Usually QuickBooks or similar program or city finance department).
- Establish policy and system for paying payroll and invoices (NCMS recommends two signatures on each check. You may consider three or four approved signatures and any combination is acceptable)
- Manage ALL donations and contributions in accordance with nonprofit best practices and in accordance with the terms of the contributions (reporting, tax exemption receipts, etc.)
- Responsibility of the organization's Treasurer to report on financial status of the organization at each board meeting.
- Conduct established audits or financial reviews by an outside source (CPA firm)
- Establish division of financial duties as recommended by the auditors.
- File 990's and all tax reports

Tell Your Story

- **System for telling story-numerically, visually, aurally.**
 - Articulate positive change numerically through:
 - Development of a tracking system for downtown properties and businesses-openings and closings, employees added or lost, public and private investments, change in property values due to improvements, etc.
 - Track impact of special events downtown-attendance, spending, leverage for other activities
 - Create an annual report.
 - Publish statistics in newsletters and websites and include them in public presentations.
 - Track statistics for two reports compiled by NC Main Street Center
 - Budget and salary statistics (done by Organization committee)
 - Annual Statistical Summary (completed by Economic Vitality committee)
 - Articulate positive change visually through:
 - Before and After photos
 - Use vacant store windows to advertise plans for downtown improvements.
 - Create a website, newsletter, YouTube® video, etc.
 - Public presentations that will utilize this positive imagery.
 - Annual meetings and merchant/property owner meetings
 - Nominate projects for NC Main Street award.
 - Articulate positive change aurally through:
 - Testimonials from business and property owners and share them.
 - Take time at each board meeting to talk about the impacts of different projects taking place downtown.
 - Have board members relate progress downtown to their social and business networks.
 - Feet on the street: it is important to establish a time to meet with property and business owners on a regular basis. Set up appointments if necessary.