

Essential Tips for Nonprofits

Forming and registering your nonprofit are initial steps toward reaching your charitable goals. However, operating a nonprofit can be more challenging than expected. These tips will help you avoid common problems and establish a foundation for success. Additional information and resources can be found on our website – <https://www.doj.state.or.us/charitable-activities/>.



File Your Reports on Time

File accurate and timely reports. Registered nonprofits must file annual financial reports with the Oregon Department of Justice. In addition, most Oregon nonprofits must file annual renewals with the Oregon Secretary of State to maintain their corporate status and annual returns with the IRS to maintain their tax-exempt status.



Safeguard Your Charitable Assets

Protect organizational assets by implementing appropriate financial policies and procedures. Loss of assets from theft, misuse, and imprudent investment occurs surprisingly often, is generally preventable, and often results in the closure of the nonprofit. Also learn how to manage restricted gifts and to ensure compliance with legal prohibitions on benefiting private interests. See <https://www.doj.state.or.us/charitable-activities/laws-guides-for-charities/financial-control-recommendations-small-nonprofits/>.



Insist on an Active and Informed Board

Board directors bear the legal responsibility for managing nonprofits. They should be active and informed about their organizations and legal duties. Special consideration should be given to any financial transactions involving officers and directors. Make board training a priority. See <https://www.doj.state.or.us/charitable-activities/laws-guides-for-charities/your-rights-roles-and-responsibilities-as-a-nonprofit-officer/>.



Keep Good Records

Keep good records including meeting minutes, membership lists, accounting records, financial reports, restricted gift documents, governing documents, and documentation demonstrating handling of any conflicts of interest. Your organization is required to maintain documentation reflecting its revenues, expenditures, assets, and liabilities. Your organization must keep documents that establish its expenditures were appropriate and related to its charitable mission.



Notify Oregon DOJ

Charities should contact the Oregon Department of Justice if the organization is thinking of dissolving, selling or transferring a major asset, modifying a trust, holding a raffle or other gaming event, or hiring a professional fundraiser. In some cases, the law requires our office receive advance notification of these events. Our email address is charitable@doj.oregon.gov and our telephone number is (971) 673-1880.