

Compliance Made Simple: What Every Founder Must Keep Current

Stay ready, responsible, and protected with a simple compliance rhythm.

THE STRATEGY COUNSEL

FUNDABLE • VISIBLE • COMPLIANT

- ❏ This webinar is general educational information and not legal, tax, or state-specific advice. Always consult a qualified professional for guidance specific to your situation.



Welcome — Why Compliance Matters

Whether you run a nonprofit, a ministry, a consulting firm, or a mission-driven business, compliance is the invisible infrastructure that keeps everything standing. It is not just a legal obligation — it is a signal to funders, partners, banks, and regulators that your organization is serious, trustworthy, and built to last.

Protects Your Mission

Stay legally active so you can keep serving the people you are built to serve.

Builds Credibility

Funders, donors, and partners check your compliance status before saying yes.

Reduces Personal Risk

Proper filings protect founders from personal liability and penalties.



Compliance Is Not Just Paperwork

Many founders hear the word "compliance" and think of filing cabinets and bureaucracy. The truth is, compliance is the practice of keeping your organization legally alive, financially accountable, and operationally protected — on an ongoing basis.



Legal Standing

Your entity must remain in good standing with the state to sign contracts, open accounts, and receive grants.



Funder Readiness

Grants, loans, and major gifts almost always require proof of current compliance before funds are released.



Rhythm, Not Crisis

Compliance done consistently in small steps prevents the expensive scrambles that come from years of neglect.

What Happens When Compliance Is Ignored

Skipping compliance tasks may feel harmless in the moment – until the consequences arrive. The costs of non-compliance are almost always higher than the cost of staying current.



Administrative Dissolution

States can dissolve your entity for failing to file annual reports, stripping your legal standing overnight.

Loss of Tax-Exempt Status

Nonprofits that miss three consecutive 990 filings automatically lose their 501(c)(3) status with the IRS.

Fines and Back Penalties

Late fees, reinstatement costs, and IRS penalties can run into the hundreds or thousands of dollars.

Damaged Credibility

A lapsed entity or revoked tax-exempt status is publicly visible and can cost you grants, partnerships, and donor trust.

Annual Reports and State Filings

Every entity — LLC, corporation, or nonprofit — is required to file periodic reports with the state where it is registered. These reports confirm your organization is still active, update key information, and pay any associated fees. Missing them is one of the most common — and preventable — reasons entities lose good standing.

What to File

- Annual or biennial report with your state's Secretary of State
- Updated registered agent name and address
- Current principal office address
- Names of officers, directors, or managers

What to Watch

- Deadlines vary by state — some are due on the anniversary of formation, others on a fixed date
- Filing fees typically range from \$10–\$500
- Many states allow online filing in minutes
- Set a calendar reminder 60 days in advance

Tax Filings and Financial Records

Tax compliance is non-negotiable for every type of entity. Whether you owe taxes or not, filing on time keeps your organization in good standing with the IRS and your state revenue agency – and protects your exemption status if you are a nonprofit.

For-Profit Entities

- File federal and state income tax returns annually
- Maintain quarterly estimated tax payments if applicable
- Issue 1099s to qualifying contractors by January 31

Nonprofits & Ministries

- File Form 990, 990-EZ, or 990-N (e-Postcard) annually
- Due 5.5 months after fiscal year end (extensions available)
- Three missed filings = automatic revocation of tax-exempt status

Financial Records

- Keep bank statements, receipts, and invoices for 7 years
- Reconcile accounts monthly
- Track restricted vs. unrestricted funds (nonprofits)

Licenses, Permits, and Registrations

Operating without the proper licenses is a compliance gap that catches many founders off guard. Beyond your state registration, most organizations need additional permits at the federal, state, or local level – depending on industry and activity.

1

Business License

Most cities and counties require a general business license to operate legally within their jurisdiction.

2

Professional Licenses

Consulting, healthcare, legal, financial, and childcare services often require state-issued professional licenses.

3

Seller's Permit / Sales Tax

If you sell products or taxable services, you likely need a seller's permit and must collect and remit sales tax.

4

Renewal Schedule

Most licenses expire annually or biennially. Keep a renewal tracker so nothing lapses unnoticed.

Registered Agent and Address Updates

Every formal business entity is required to maintain a registered agent — a designated person or service that receives official legal and government correspondence on behalf of your organization. Failing to keep this information current can result in missed lawsuits, lapsed filings, and lost good standing.

What Is a Registered Agent?

A registered agent must have a physical address (not a P.O. Box) in the state of formation and be available during business hours to receive legal documents, tax notices, and state correspondence.

When to Update

- You move your primary business address
- Your registered agent changes or resigns
- You expand into a new state (requires a new registered agent there)
- Always file a formal change of agent form with the Secretary of State

Board, Member, or Manager Records

Your organization's leadership structure must be properly documented and kept current. Whether you have a board of directors, members, or managing partners, the state and the IRS may request this information at any time — especially during audits, grant applications, or reinstatements.

1

Maintain a Current Board / Officer List

Document the name, role, term dates, and contact information of every board member, officer, or manager.

2

Record Resignations and Appointments

Every leadership change should be documented in writing — with signatures where required by your bylaws or operating agreement.

3

Update State Records

Many states require officer and director updates on your annual report. File promptly to avoid discrepancies.

4

Conflict of Interest Disclosures

Nonprofits especially should maintain annual conflict of interest disclosures signed by each board member.

Meeting Minutes and Internal Records

Meeting minutes are one of the most commonly overlooked compliance requirements — and one of the most frequently requested during audits, grant reviews, and legal disputes. Minutes create a verified record that your organization is governed properly and decisions are made legitimately.

What to Document

- Date, time, and location of the meeting
- Names of those present and absent
- Motions made, votes taken, and outcomes
- Key decisions: contracts, budgets, officer elections
- Signature of the recording secretary

How Often?

At minimum, document all board meetings and any special meetings where formal decisions are made. Most nonprofits and corporations are required to hold at least one annual meeting. LLCs should document major decisions as they arise, even informally.

Charitable Registration Considerations

If your nonprofit, ministry, or mission-driven organization solicits donations — from the public, online, or through events — you may be required to register as a charitable organization in each state where you fundraise. This is separate from your tax-exempt status and is often overlooked.

Who Must Register?

Any nonprofit that solicits charitable contributions, including online campaigns, may be required to register in multiple states. Currently 40+ states have charitable solicitation laws.

Annual Renewal

Charitable registrations typically renew annually and require submission of your 990, financial statements, and a filing fee.

Exemptions May Apply

Some small organizations or religious ministries may qualify for exemptions — but you must affirmatively apply for or confirm the exemption. Don't assume.

Contracts, Policies, and Recordkeeping

Proper documentation of agreements and internal policies is a cornerstone of compliance. These records protect your organization in disputes, satisfy funder requirements, and demonstrate that you operate with accountability and structure.



Written Contracts

All services, partnerships, vendor relationships, and employment should be governed by a written agreement – signed before work begins.



Required Policies

At minimum: conflict of interest policy, whistleblower policy, document retention policy, and an anti-discrimination statement (nonprofits especially).



Document Retention

Keep financial records for 7 years. Keep corporate documents (articles, bylaws, minutes) permanently. Store copies securely – both physical and digital.

Monthly Compliance Tasks

Compliance does not have to feel overwhelming when you build a monthly rhythm. These short, recurring tasks take 30–60 minutes per month and prevent the expensive chaos that comes from annual scrambles.

01

Reconcile Bank and Financial Accounts

Match your bank statements to your bookkeeping records. Catch discrepancies early — before they compound into problems.

03

Update Contact and Address Records

Verify that your registered agent, primary address, and key contacts are current across all platforms and state records.

02

Review Upcoming Deadlines

Check your compliance calendar. Are any licenses, registrations, or reports due in the next 60 days? Assign ownership and initiate early.

04

Save and File Documentation

File receipts, contractor invoices, and correspondence in your compliance folder — physically or digitally — before month-end.

Quarterly Compliance Tasks

Every quarter, take a deeper look at your compliance posture. These mid-level tasks keep you ahead of annual deadlines and give you a clear picture of your organization's legal and financial health.

Review Board / Officer Records

Confirm that all leadership information is current and that any changes have been formally documented and filed.

Estimated Tax Payments

For-profit entities: confirm quarterly estimated tax deposits were made. Underpayments attract IRS penalties.

Check License Expiration Dates

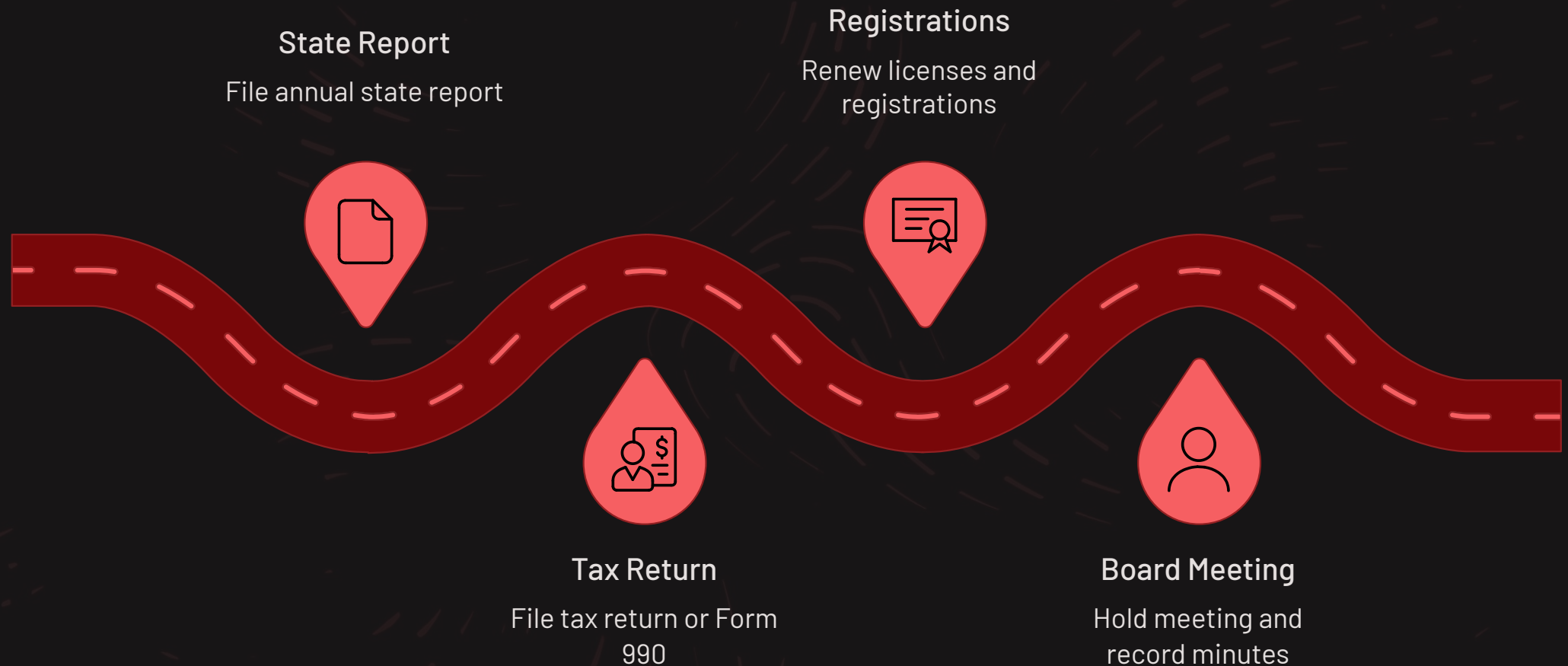
Review all active licenses and permits. Initiate renewal for anything expiring in the next 90 days.

Contractor and Vendor Compliance

Confirm W-9s are on file for all contractors paid more than \$600 in the year. Prepare for year-end 1099 reporting.

Annual Compliance Tasks

The end of the fiscal year is your most critical compliance window. These annual tasks protect your entity's legal standing, satisfy tax authorities, and position you for funding opportunities in the year ahead.



Build your annual compliance checklist around these five pillars. Start the process 90 days before your fiscal year end — not after it. Early action prevents penalties and keeps your organization fully operational throughout the year.

Common Compliance Mistakes

Most compliance failures are not intentional – they are the result of simply not knowing what was required, or not having a system to stay on top of it. Here are the mistakes we see most often:

Assuming "Set It and Forget It"

Forming your entity is step one. Maintaining it is an ongoing obligation. Registration alone does not keep you compliant.

Mixing Personal and Business Finances

Commingled funds undermine your liability protection and make tax filings exponentially harder to defend.

Missing the 990 Filing Deadline

Three missed 990 filings revoke your 501(c)(3) automatically. Reinstatement requires a formal IRS application and back filings.

No Written Minutes or Resolutions

Verbal decisions are legally invisible. Without documented minutes, major decisions can be challenged or disregarded.

Compliance Calendar Walkthrough

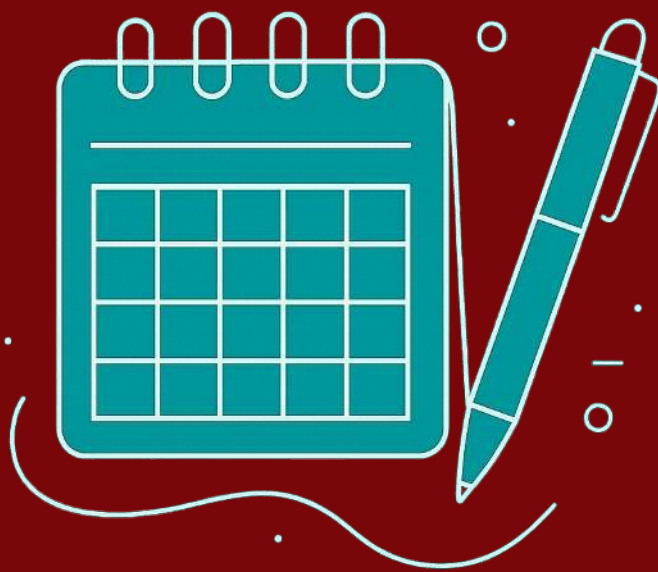
A compliance calendar is the single most powerful tool you can build for your organization. It maps every recurring deadline — state, federal, and local — into one visual system so nothing falls through the cracks.



Print this calendar and post it where your leadership team can see it. Assign a point person to own each deadline and set calendar reminders 60 days in advance for every major filing.

Download Included: Compliance Calendar Template

As a webinar participant, you have access to our ready-to-use **Compliance Calendar Template** – pre-populated with the most common annual, quarterly, and monthly compliance deadlines for nonprofits, LLCs, and mission-driven organizations.



What's Inside

- 12-month compliance calendar layout
- Federal, state, and internal deadline prompts
- Color-coded by filing type
- Fillable fields for your specific due dates

How to Use It

- Customize deadlines for your entity type and state
- Assign each task to a responsible person
- Review monthly with your leadership team
- Update annually as regulations change



Download link provided in the webinar resource folder. Check your confirmation email for access.

Download Included: Monthly Compliance Check-In Sheet

The **Monthly Compliance Check-In Sheet** is a one-page tool designed to be completed in under 15 minutes at the end of each month. It walks you through the essential questions every founder should be asking on a rolling basis.

01

Bank and Books Reconciled?

Confirm all transactions are recorded and accounts are balanced for the month.

03

Contracts and Records Filed?

Confirm all signed agreements, invoices, and board decisions from the month are saved in your compliance folder.

02

Upcoming Deadlines Reviewed?

Check the next 60 days on your compliance calendar and initiate action on anything approaching.

04

Any Changes to Report?

Leadership changes, address updates, new licenses needed? Flag and initiate state or IRS updates as required.

Your Next Step: Book a Compliance Checkup

You do not have to figure this out alone. The Strategy Counsel works with nonprofit founders, business owners, ministry leaders, and mission-driven entrepreneurs to build the compliance systems that keep organizations legally protected, funder-ready, and fully operational.

Compliance Checkup Session

A focused strategy session to audit your current compliance status, identify gaps, and build your custom compliance calendar — starting now.

The Fundable Founder Series

Join our ongoing training series for founders ready to become fully compliant, credible, and positioned for funding. Practical. Affordable. Action-oriented.

Compliance protects what you are building.

Don't wait for a penalty or a rejected grant to make it a priority. Start your rhythm today.

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