



# FOUNDATION START-UP CHECKLIST

## ***Are We There Yet?***

Starting a new foundation? Going through a period of growth that is significantly changing your foundation? This tool can help you think through the different elements needed to get you up and running. It may be overwhelming looking at the full list of activities to accomplish. Rest assured it doesn't need to be completed all at once. Use the working map on the next page to help you prioritize what is most important for your organization to tackle first, set timelines to accomplish the work, and decide who will be the lead person for each section of activities. Then start marking off the checklist items to monitor your progress.

Check out the tool on the next page. Read the annotations that follow the tool for ideas on how to use it. Adapt the tool to fit your needs. Give it a try.

# Foundation Start-Up Checklist

**Are We There Yet?**

Prioritization Key:    A = High Priority    B = Medium Priority    C = Low Priority

<b>Fundamentals</b>	<b>Legal</b>	<b>Board Formation and Governance</b>
PRIORITY: <input type="text"/> TIMELINE: <input type="text"/> WHO LEADS: <input type="text"/>	PRIORITY: <input type="text"/> TIMELINE: <input type="text"/> WHO LEADS: <input type="text"/>	PRIORITY: <input type="text"/> TIMELINE: <input type="text"/> WHO LEADS: <input type="text"/>
<b>Management Accounts and Investments</b>	<b>Sector Learning</b>	<b>Staff</b>
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<b>Grants Management</b>	<b>Technology and Office Set-Up</b>	<b>Communications</b>
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## Fundamentals

- Donor intent statement ★
- Role and goals for family (if family foundation)
- Vision statement
- Mission statement
- Values statement
- Guiding principles
- Strategic plan
- Theory of change
- Determine in-perpetuity existence or spend down
- Determining corpus and estimating grantmaking budget plus start-up capital
- Other \_\_\_\_\_

## Legal

- Articles of Incorporation ★
- Bylaws ★
- Obtain Employee Identification Number ★
- Determine tax exempt entity status ★
- Apply to IRS for tax exempt status ★
- State charitable registrations (requirements are state specific) ★
- Successor organization statement
- Board minutes documentation protocol ★
- Other \_\_\_\_\_

## Board Formation and Governance

- Governance structure ★
- Role clarity for trustees, founders and staff
- Board recruitment
- Committee structure
- Advisory or honorary board
- Position descriptions and expectations
- Board orientation
- Conflict of interest policy ★
- Directors and officers insurance
- Board meeting calendar
- Board benefits
- Other \_\_\_\_\_

## Management Accounts and Investments

- Administrative Budgets
- Determine pay-out percent and factors that would influence change
- Operating reserve policy
- Audits
- File annual 990 ★
- Investment policy
- Investment policy statement
- Other \_\_\_\_\_

★ = Essential

3 Disclaimer: This tool provides key elements needed to establish a foundation but is not intended to outline all requirements for state and federal legal compliance. For more information, see: [www.irs.gov](http://www.irs.gov).

## Sector Learning

- Connect with philanthropic networks
- Subscribe to philanthropy periodicals, list serves, blogs
- Identify key conferences to attend
- Learning calls and onsite visits with respected peers
- Other \_\_\_\_\_

## Grants Management

- Define grant types and eligibility criteria ★
- Establish internal grant approval levels (delegation of authority)
- Determine solicitation process ★
- Create grant guidelines and application
- Develop grantmaking workflow for staff and board including application, due diligence, proposal review, decision making, notification
- Create grant award and agreement template
- Establish timeline for awarding grants
- Decide on grant monitoring and support
- Other \_\_\_\_\_

## Communications

- Brand image and identity
- Website design and interface
- Social media presence
- Collateral materials

## Staff

- Start-up staffing plan
- Position descriptions
- Recruitment process
- Compensation philosophy
- Personnel policies
- Performance review process
- Outsourcing plan
- Financial and legal services ★
- Professional development philosophy plan and budget
- Other \_\_\_\_\_

## Technology and Office Set Up

- Secure office space and address or PO Box
- Hardware purchases (computers, phones, printers)
- Email service
- Website domain and platform
- Grants management software
- Insurance
- Disaster preparedness plan
- Record-keeping policy
- Other \_\_\_\_\_

★ = Essential

## ANNOTATED VERSION

After the fundamentals are established, decide on a timeline of when to revisit these elements. 3 years? 5 years?



### Fundamentals

- Donor intent statement ★
- Role and goals for family (if family foundation)
- Vision statement
- Mission statement
- Values statement
- Guiding principles
- Strategic plan
- Theory of change
- Determine in-perpetuity existence or spend down
- Determining corpus and estimating grantmaking budget plus start-up capital
- Other \_\_\_\_\_

For family foundations, have a conversation with the founders about the pros and cons of having non-family members on the board.



### Legal

- Articles of Incorporation ★
- Bylaws ★
- Obtain Employee Identification Number ★
- Determine tax exempt entity status ★
- Apply to IRS for tax exempt status ↑ Public? Private? Operating?
- State charitable registrations (requirements are state specific) ★
- Successor organization statement
- Board minutes documentation protocol ★
- Other \_\_\_\_\_

### Board Formation and Governance

- Governance structure ★
- Role clarity for trustees, founders and staff
- Board recruitment
- Committee structure
- Advisory or honorary board
- Position descriptions and expectations
- Board orientation
- Conflict of interest policy ★
- Directors and officers insurance
- Board meeting calendar
- Board benefits ← Examples include discretionary or matching gifts, monetary compensation.
- Other \_\_\_\_\_

### Management Accounts and Investments

- Administrative Budgets
- Determine pay-out percent and factors that would influence change
- Operating reserve policy
- Audits
- File annual 990 ★
- Investment policy ← Consider social screens on your investments.
- Investment policy statement
- Other \_\_\_\_\_

Discuss if impact investing is another tool your foundation wants to explore.

★ = Essential

Check out a list of regional ([www.unitedphilforum.org/find-your-regional-association](http://www.unitedphilforum.org/find-your-regional-association)) and national ([www.unitedphilforum.org/national-philanthropy-serving-organizations](http://www.unitedphilforum.org/national-philanthropy-serving-organizations)) philanthropy-serving organizations.

## Sector Learning

- Connect with philanthropic networks
- Subscribe to philanthropy periodicals, list serves, blogs
- Identify key conferences to attend
- Learning calls and onsite visits with respected peers
- Other \_\_\_\_\_

Some decisions to make include:  
program or operating; annual  
or multi-year, program-related  
investments, scholarships

## Grants Management

- Define grant types and eligibility criteria ★
- Establish internal grant approval levels (delegation of authority)
- Determine solicitation process ★
- Create grant guidelines and application
- Develop Will you use letters of interest, request for inclusion in grantmaking workflow for staff and board including, decision making, proposal review, notification
- Create grant award and agreement template
- Establish timeline for awarding grants
- Decide on grant monitoring and support
- Other \_\_\_\_\_

Will you use letters of  
interest, request for  
inclusion in grantmaking workflow for staff and board  
including, decision making, proposal review, notification

## Communications

- Brand image and identity
- Website design and interface
- Social media presence
- Collateral materials

A critical discussion point to have before communication decisions are made is how private or public do the founders want the foundation to be? As foundations increasingly deploy different forms of capital beyond grant dollars, many foundations are adjusting to being more public.

- Other \_\_\_\_\_

## Staff

- Start-up staff
- Position descriptions
- Recruitment process
- Compensation philosophy
- Personnel policies
- Performance review process
- Outsourcing plan
- Financial and legal services ★
- Professional development philosophy plan and budget
- Other \_\_\_\_\_

Our clients have noted it's necessary to have a clear strategy in place before hiring beyond the executive director/CEO.

## Technology and Office Set Up

- Secure office space and address or PO Box
- Hardware purchases (computer equipment)
- Email service
- Website domain and platform
- Grants management software
- Insurance
- Disaster preparedness plan
- Record-keeping policy
- Other \_\_\_\_\_

Depending on the size of your organization, the technology needs may be a candidate for outsourcing.