

Do You Need Insurance?

And if so, what kind?

Q I'm the executive director of a newly formed 501(c)(3) nonprofit organization, and I've been told that 501(c)(3) nonprofits must have insurance. What kind of insurance does a nonprofit need?

A Every organization that's serious about conducting activities and wants to protect itself, its volunteers, and its managers, needs insurance. You can start with required coverages, such as workers' comp, and then add general liability and directors' and officers' (D & O) insurance. But check with a broker who understands nonprofits and your type of organization for a careful review of your risks and needs.

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“You can start with required coverages.”

Also see these *Nonprofit World* articles, available at www.NonprofitWorld.org/members: “Get the Best Protection for Your Insurance Dollar” (Vol. 24, No. 4), “What Is the Board's Role in Managing Risk?” (Vol. 15, No. 5), “Does Your Board Need Liability Insurance?” (Vol. 12, No. 6), and “Choosing the Right D & O Insurance for Your Board” (Vol. 12, No. 1).

Is Lost Packet Retrievable?

What can you do if you lose your IRS paperwork?

Q A number of years ago, I filed an application for nonprofit status with the IRS for an organization with which I am still involved. We got our determination letter and have been operating since. However, I was looking for our copy of the extensive paperwork and cannot find it. Is there a way to obtain a copy? I'd never be able to recreate everything.

A Let this be an object lesson to you and everyone else out there. Keep these papers with your determination letter in a safe place! You're required to keep them permanently and show them to anyone who requests to see them — whether that's a member of the public, your auditor, or a consultant beginning work with your organization. Most important, your leadership should be regularly referring to them as they work to fulfill the organization's mission — which, by the way, is just one thing, along with your bylaws, specified in that packet.

Lucky for you, there may be a way to get a copy. No promises, though. Try the IRS. If it has a copy, it's yours. The agent with whom I spoke, though, said that copies aren't always found.

“Your leadership should be regularly referring to these papers.”

To make your request, you must submit IRS “Request for Public Inspection or Copy of Exempt or Political Organization IRS Form 4506-A.” You can find the simple one-page form at www.irs.gov. While the form specifies that you're applying for your Form 1023 or 1024 or your determination letter, the agency will send all the supplementary material it has on file as well.

As long as you're requesting the material for non-commercial use, you'll receive up to 100 pages free. I hope you're able to get a copy of your file.

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