A WORKSHEET FOR NONPROFIT BOARDS AND EXECUTIVE DIRECTORS

The Nonprofit Grant-Readiness Checklist

The twelve things a funder verifies before anyone reads your proposal — and the five that end an application silently.

ORGANIZATION

EIN

COMPLETED BY / ROLE

DATE

If you hold a 501(c)(3) determination, you already know you are eligible. That was never the hard part.

The hard part is that most rejections happen before anyone reads your narrative. A program officer opens your file, checks a handful of things that take four minutes, and if any of them fail, your proposal is set aside — usually without an explanation you would recognize as the real reason.

This worksheet is that four minutes, run in advance, on yourself.

START HERE

Work through the twelve below and mark where you stand. Most of what you find can be fixed in a month or less, and nearly all of it costs nothing but attention.

PART ONE

The twelve checks

Tick the ones you can evidence today. Note what is missing beside each.

- [ ] **Your Form 990 filings are current**
  Three consecutive years of not filing means automatic revocation of your exempt status. It happens without warning and is not appealable. Organizations under $50,000 in gross receipts are not exempt from this — they still must file the 990-N e-Postcard every year.
  status / what's missing

- [ ] **You can produce your determination letter in under a minute**
  Not somewhere in a filing cabinet. Scanned, named clearly, and in the same folder as everything else a funder asks for.
  status / what's missing

- [ ] **Your 990 reads well, not just files correctly**
  Funders read it before your proposal, and it is public. Look at yours the way a stranger would: are the program descriptions specific, is the board listed, does officer compensation look explainable? Most organizations treat the 990 as compliance paperwork and never notice it is also the first thing a funder learns about them.
  status / what's missing

- [ ] **You are registered to solicit in every state where you fundraise**
  Most states require charitable solicitation registration before you may legally ask residents for money — including through a donate button on your website. Commonly missed, easily checked.
  status / what's missing

- [ ] **SAM.gov registration is active, with a Unique Entity ID**
  Required for any federal grant. Free, but it must be renewed annually and takes roughly seven to ten business days to process. An expired registration disqualifies you outright.
  status / what's missing

- [ ] **Your Candid (GuideStar) profile is complete and current**
  Many foundations check it before they check anything else. A blank or stale profile reads as an inactive organization. Claiming and completing it is free and takes an afternoon.
  status / what's missing

- [ ] **Your board is real, independent, and documented**
  An engaged board with an independent majority, meeting on a schedule, with minutes on file. Funders ask, and a board that exists only on paper shows quickly.
  status / what's missing

- [ ] **You have a written conflict of interest policy**
  The 990 asks whether you have one. Answering no is a visible flag. So are whistleblower and document retention policies — all three are standard, and templates are freely available.
  status / what's missing

- [ ] **Your financial statements match your size**
  Small organizations do not need an audit. But if you spend $1,000,000 or more in federal awards in a fiscal year, a Single Audit is required — a threshold raised from $750,000 for fiscal years beginning on or after October 1, 2024. Count pass-through funds from other nonprofits toward it, not only money received directly from a federal agency.
  status / what's missing

- [ ] **You can state outcomes in numbers, not intentions**
  Not "participants will improve." Which participants, measured how, compared to what, reported when. This is where otherwise-strong applications lose the most points.
  status / what's missing

- [ ] **Your budget includes real indirect costs**
  See Part Three. Underclaiming overhead is the most common self-inflicted wound in this sector.
  status / what's missing

- [ ] **Insurance and background-check policies are in place**
  General liability and directors-and-officers coverage at minimum. If you serve children or vulnerable adults, a written background-check policy is non-negotiable and reviewers look for it.
  status / what's missing

HOW MANY OF THE TWELVE CAN YOU EVIDENCE TODAY?

Ten or more and you are competitive today. Seven to nine and you are a month of administrative work away. Below seven, fix the file before you write another proposal — you will otherwise keep losing for reasons the rejection letter never names.

PART TWO

The five silent disqualifiers

None of these produce a phone call. They produce a decline you cannot interpret.

- Lapsed or revoked exempt status. The IRS publishes an automatic revocation list. Check yourself on it.
- Soliciting in a state where you are not registered.
- An expired SAM.gov registration. It lapses annually and nothing warns you.
- Applying outside the funder's stated geography, population, or program priorities.
- Requesting general operating support from a funder who only makes project grants.

PART THREE

Money you are probably leaving behind

Nonprofits chronically underclaim the cost of running themselves, then wonder why every grant leaves them poorer. Two things worth knowing.

THE 15% DE MINIMIS RATE

If you do not have a federally negotiated indirect cost rate, you may elect a de minimis rate of up to 15% of modified total direct costs. That figure rose from 10% under the 2024 Uniform Guidance. Federal agencies and pass-through entities may not compel you to accept a lower rate unless a statute or regulation requires it. If a funder has been pushing you toward 5% or 8%, that is worth a conversation.

SAY IT PLAINLY

Overhead is not waste. It is the accountant who keeps you compliant, the insurance that keeps you solvent, and the director who keeps the doors open. A budget that pretends those costs do not exist is not lean — it is inaccurate, and experienced reviewers read it that way.

PART FOUR

Your funding profile

Fill this in once. You will reuse it in every application you write.

Our mission, in one sentence a stranger would understand

Who we serve, and roughly how many each year

Annual operating budget

Current funding mix (grants, individuals, earned, government)

The gap we most need funded

PART FIVE

Your plan

The three checks above we will fix first

Who owns each, and by when

The next funder or program we intend to approach

Target deadline

Questions we still need answered

IF YOU WANT HELP

I write and win grants for nonprofits, schools, HBCUs, churches, and after-school programs — and I founded and run a nonprofit of my own, so I answer to the same filings, audits, and board obligations I write about. Most first conversations take twenty minutes and end with a straight answer about whether a grant is the right tool, including when it isn't. There is no cost to asking.

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This worksheet is general guidance, not legal, tax, or accounting advice. Thresholds, registration requirements, and program rules vary by state and change over time — verify current requirements with the administering agency or your CPA before relying on them.