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## Legal Compliance Audit

<b>Form of Organization</b>				
If a form of organization has not been selected, review and discuss advantages/disadvantages of various forms of organization (e.g., corporation, limited liability company)	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Corporations and Governance</b>				
Review Articles/Certificate of Incorporation and Bylaws	Compliant	Partially Compliant	Non-Compliant	N/A
Review Board of Directors committee structure and committee charters	Compliant	Partially Compliant	Non-Compliant	N/A
Review Board of Directors and committee minutes	Compliant	Partially Compliant	Non-Compliant	N/A
Review corporate structure, including affiliates and joint ventures	Compliant	Partially Compliant	Non-Compliant	N/A
Verify that state corporate filings, including annual reports, have been made	Compliant	Partially Compliant	Non-Compliant	N/A
Review whether corporate registration and/or filings should be undertaken in other jurisdictions	Compliant	Partially Compliant	Non-Compliant	N/A
Review governance-related policies, including conflicts and ethics	Compliant	Partially Compliant	Non-Compliant	N/A
Review insurance coverage	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Federal Tax Law Compliance</b>				
Tax-exempt status, including IRS determination letter	Compliant	Partially Compliant	Non-Compliant	N/A
Form 990 compliance and preparation for 2010 filing requirements	Compliant	Partially Compliant	Non-Compliant	N/A
Communications with the IRS	Compliant	Partially Compliant	Non-Compliant	N/A
Political campaign activities	Compliant	Partially Compliant	Non-Compliant	N/A
Lobbying	Compliant	Partially Compliant	Non-Compliant	N/A
Unrelated business income	Compliant	Partially Compliant	Non-Compliant	N/A
Related organizations and their activities	Compliant	Partially Compliant	Non-Compliant	N/A
Excess benefit transactions	Compliant	Partially Compliant	Non-Compliant	N/A
Rebuttable presumption	Compliant	Partially Compliant	Non-Compliant	N/A

Automatic excess benefits	Compliant	Partially Compliant	Non-Compliant	N/A
Public vs. private foundation status	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Other Federal Regulatory Compliance</b>				
Foreign Corrupt Practices Act	Compliant	Partially Compliant	Non-Compliant	N/A
U.S. trade controls	Compliant	Partially Compliant	Non-Compliant	N/A
Export controls	Compliant	Partially Compliant	Non-Compliant	N/A
Economic sanctions	Compliant	Partially Compliant	Non-Compliant	N/A
Anti-terrorism	Compliant	Partially Compliant	Non-Compliant	N/A
Government grants and contracts	Compliant	Partially Compliant	Non-Compliant	N/A
Lobbying registration and disclosure; Byrd Amendment likely referenced in grants	Compliant	Partially Compliant	Non-Compliant	N/A
Foreign bank accounts	Compliant	Partially Compliant	Non-Compliant	N/A

<b>State and Local Tax</b>				
State tax-exempt determination letter and tax filings	Compliant	Partially Compliant	Non-Compliant	N/A
Unrelated business income	Compliant	Partially Compliant	Non-Compliant	N/A
Sales, privilege, excise, franchise taxes	Compliant	Partially Compliant	Non-Compliant	N/A
Employment taxes and workers compensation	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Fundraising and Access to Capital</b>				
State fundraising registration and reporting	Compliant	Partially Compliant	Non-Compliant	N/A
Planned gift activities -- charitable gift annuities, split interest trusts	Compliant	Partially Compliant	Non-Compliant	N/A
Internet solicitations	Compliant	Partially Compliant	Non-Compliant	N/A
Federal tax law substantiation requirements	Compliant	Partially Compliant	Non-Compliant	N/A
Access to loans and equity investments, including program related investments	Compliant	Partially Compliant	Non-Compliant	N/A
<b>Website and Internet</b>				
Review website; review procedures for content monitoring	Compliant	Partially Compliant	Non-Compliant	N/A
Determine whether domain names infringe on another organization's trademarks or service marks	Compliant	Partially Compliant	Non-Compliant	N/A
Use of trademarks	Compliant	Partially Compliant	Non-Compliant	N/A

Third party content	Compliant	Partially Compliant	Non-Compliant	N/A
Consents for use of content and website links	Compliant	Partially Compliant	Non-Compliant	N/A
Privacy policy and confidential information				
Charitable solicitations				
Compliance with IRS lobbying and political campaign activity rules				
Review policy for links to/from other sites				

<b>Intellectual Property</b>				
Verify status of trademarks, trade names, domain names, and copyrights	Compliant	Partially Compliant	Non-Compliant	N/A
Determine whether other proprietary information should be protected	Compliant	Partially Compliant	Non-Compliant	N/A
Review policies and third party agreements relating to non-disclosure of confidential information and ownership of intellectual property created by employees and contractors	Compliant	Partially Compliant	Non-Compliant	N/A
Review procedures for maintaining confidentiality of trade secrets	Compliant	Partially Compliant	Non-Compliant	N/A
Review licenses, contracts and other agreements relating to intellectual property and computer software to which the organization is a party or a third party beneficiary	Compliant	Partially Compliant	Non-Compliant	N/A
Grants likely to have IP provisions that would include provisions re allocation of rights and requirements for protection of rights.	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Document Retention Policies</b>				
Should the organization have a retention policy?	Compliant	Partially Compliant	Non-Compliant	N/A
Review existing policy for both hard copy and electronic documents	Compliant	Partially Compliant	Non-Compliant	N/A
Check grants for document retention requirements and then check policy for conformance.	Compliant	Partially Compliant	Non-Compliant	N/A
Verify the existence of a policy against altering, destroying, or concealing documents in the event of an anticipated or known government audit or investigation	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Communications</b>				
Review policies re public statements and speaking to the media	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Human Resources and Employee Benefits</b>
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Review employee manuals, handbooks and policies	Compliant	Partially Compliant	Non-Compliant	N/A
Review whether individuals are properly classified as employees and independent contractors	Compliant	Partially Compliant	Non-Compliant	N/A
Review compliance with federal requirements for documentation of citizenship of employees	Compliant	Partially Compliant	Non-Compliant	N/A
Review compliance with federal and state laws prohibiting various forms of discrimination	Compliant	Partially Compliant	Non-Compliant	N/A
Review job application form, standard job posting and recruiting materials	Compliant	Partially Compliant	Non-Compliant	N/A
Review employment contracts and letter agreements	Compliant	Partially Compliant	Non-Compliant	N/A
Review procedures and practices for use of temporary workers	Compliant	Partially Compliant	Non-Compliant	N/A
Review procedures and practices for terminating employees	Compliant	Partially Compliant	Non-Compliant	N/A
Review FLSA compliance issues	Compliant	Partially Compliant	Non-Compliant	N/A
Review compliance with Family and Medical Leave Act	Compliant	Partially Compliant	Non-Compliant	N/A
Review existing tax qualified benefit plans	Compliant	Partially Compliant	Non-Compliant	N/A
Review non-qualified deferred compensation plans	Compliant	Partially Compliant	Non-Compliant	N/A
Review fringe benefits	Compliant	Partially Compliant	Non-Compliant	N/A
Review severance plans or policies	Compliant	Partially Compliant	Non-Compliant	N/A
Verify filing of all IRS/DOL forms	Compliant	Partially Compliant	Non-Compliant	N/A
Review recordkeeping for EEO/AAP compliance	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Leases</b>				
If organization planning to lease space, guidance on key issues	Compliant	Partially Compliant	Non-Compliant	N/A
If organization has entered into a lease, review to determine compliance with its provisions	Compliant	Partially Compliant	Non-Compliant	N/A
Consider option provisions and dates for exercise	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Contracts</b>				
Review significant contracts and schedule notification of contract renewal dates	Compliant	Partially Compliant	Non-Compliant	N/A
Verify compliance with representations and warranties	Compliant	Partially Compliant	Non-Compliant	N/A
Determine policy for internal contract review, external review by counsel, execution of contracts	Compliant	Partially Compliant	Non-Compliant	N/A

Determine whether there are contracts with related parties and whether there was compliance with procedures for disclosing conflicts of interest	Compliant	Partially Compliant	Non-Compliant	N/A
Determine whether there are business relationships not covered by a written agreement	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Financial</b>				
Review internal/external audit procedures	Compliant	Partially Compliant	Non-Compliant	N/A
Review management letter for the last three independent audit cycles	Compliant	Partially Compliant	Non-Compliant	N/A
Review internal control procedures	Compliant	Partially Compliant	Non-Compliant	N/A
Review audited financial statements for last three cycles	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Lawsuits</b>				
Existing or threatened lawsuits	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Legal Barriers</b>				
Legal barriers that affect day-to-day operations	Compliant	Partially Compliant	Non-Compliant	N/A
Consider other legal barriers, including barriers to growth and success	Compliant	Partially Compliant	Non-Compliant	N/A

<b>Completion</b>				
Comments/Recommendations				

**Full Name and Signature of Auditor:**

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Please note that this checklist is a hypothetical example and provides basic information only. It is not intended to take the place of, among other things, workplace, health and safety advice; medical advice, diagnosis, or treatment; or other applicable laws. You should also seek your own professional advice to determine if the use of such checklist is permissible in your workplace or jurisdiction.