



## How to Start a Non-Profit Organization

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If your passion is to inspire, make a difference and give back to the world, then starting a non-profit is an exciting entrepreneurial proposition. But before you start there are a few things to consider.

Starting a non-profit organization (NPO) is similar to starting any kind of business - together with commitment you need a clear objective, a niche (i.e. an original, unclaimed idea) and a communicable business plan to present to your donors.

You'll also need to understand how to structure your non-profit, what tax exemptions you may qualify for, as well as how you can obtain government grants.

Here is a basic checklist for how to start a non-profit organization:

**Do Your Market Research** - With over 1.4 million non-profits nationwide, can you state categorically that your chosen non-profit niche is unique? [\\*Here](#) are some examples of questions you should be asking yourself to help identify your niche and whether there is a market need. You can also research existing non-profits at [\\*guidestar.org](http://*guidestar.org).

**Write a Business Plan** - Since a non-profit is simply another version of a business, you'll need to develop a solid business plan and steer its implementation. A business plan is essential for procuring non-profit funding from donors and the government, and can also help you recruit volunteers and board members. Get help with your non-profit business plan [\\*here](#).

**Incorporate Your Non-Profit** - Becoming a non-profit corporation requires some paperwork, but for many groups the benefits of non-profit status - such as 501(c)(3) tax-exempt status - outweigh the complications. Here are [\\*five reasons to incorporate your non-profit association](#).

Incorporation for non-profits is very similar to creating a regular corporation except that you have to take the extra steps of applying for tax-exempt status with the IRS and their state tax division.

Here are the steps you should take to incorporate your non-profit:

- **Choose a Business Name** - Get state-by-state information [here](#) on the various laws that apply to naming a non-profit in your state.
- **File your Incorporation Paperwork** - You must next file formal paperwork, or articles of incorporation, and pay a small filing fee to your state. These 'articles' contain basic structural information, such as the NPO's name, its registered agent and office address, and the corporation's membership structure, if any. Again, you can find information about filing these articles of incorporation by state [here](#). You can also look up your state office through the [\\*National Association of State Charity Officials](#) (NASCO).



Steps you should take to incorporate your non-profit, continued:

- **Apply for Non-Profit Federal and State Tax Exemptions** - Once you've received a copy of your article of incorporation from your state you are ready to submit an application to the IRS for your federal non-profit status as a 501(c)(3) organization. It's best to file within [\\*27 months](#) after the date of your incorporation.
- **Create Corporate Bylaws** - These are the operating rules for your non-profit corporation. Find out how to write non-profit bylaws [\\*here](#).
- **Appoint Initial Directors and Hold your First Board Meeting** - Some states require that you appoint directors before filing your articles of incorporation. Get more information on choosing your board [\\*here](#).
- **Obtain Necessary Licenses and Permits** - To determine what licenses you need, use this license and permit [\\*online tool](#).

**Start Fundraising** - Now that your NPO is officially established you'll need to pay attention to its bread and butter – fundraising. While individual donors amount to the largest contributors to NPOs, federal and state and local governments offer grants, loans and programs to fund NPO projects. Check out these resources to find funding for your non-profit:

- The online [Catalog of Federal Domestic Assistance](#) gives you access to a database of all federal programs available to non-profit organizations and institutions.
- [Grants.gov](#) is another source to find and apply for federal government grants. The U.S. Department of Health and Human Services is a managing partner for Grants.gov, an initiative that is having an unparalleled impact on the grant community. [Learn more](#) about Grants.gov and how to find and apply for a grant that is right for your non-profit business.

You can also find other organizations that provide funds for NPOs at [\\*foundationcenter.org](#)

#### **Other Resources**

The checklist above just skims the surface of the fundamentals of starting your own non-profit organization. There are many in-depth resources on the Web that are also worth bookmarking, including:

- [USA.gov for Non-Profits](#) - This site is the online version of what many companies offering CFDA assistance services use to advise their clients. It is available for FREE to all who wish to reference it. It has specific information for non-profits divided into 3 sections: grants/loans, management/operations, and tax information.
- [\\*About.com Non-profit Portal](#) - Covering everything from starting up, fundraising, and managing volunteers to marketing your non-profit, About.com's Non-Profit Guide is an invaluable and resource-rich Web portal.
- [\\*Non-profit Guides](#) - Free Web-based grant-writing tools for non-profit organizations, charitable and educational organizations, public organizations, and other community-minded groups.

\*Note: Hyperlink directs reader to non-government Web site