

Nonprofit Incorporating - The Business Plan

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INTRODUCTION

This article has been prepared to give guidance to people who are considering starting a nonprofit tax exempt corporation. It is not intended to be a full and detailed step-by-step manual about starting a nonprofit corporation, however. There is a comprehensive list of Federal forms and booklets at the end of this document that I recommend for your library. Religious groups that are considering the development of a faith-based nonprofit organization will also find this article timely.

The purpose of this paper is to bring into question the reasons why someone wants to start a nonprofit corporation, to discuss the necessary processes to do that and to provide Internet and other resources for further work in the development of the corporation. For some readers this will be a handy introduction to starting a nonprofit group, taking the dream to reality... To others, it may be a cold shower of reality that it requires a lot of work and commitment to start, sustain and maintain a nonprofit business - and it is a business. For others it may help in the development of some needed business management practices.

As you develop your NPO concepts, remember that the organization will have to meet legal standards, ethical standards, reporting and other forms of accountability. You will find links to a number of standards that are being developed and strengthened at the web site of Independent Sector <http://www.independentsector.org/issues/accountability.html> and others listed below. IS has a checklist to help you look at the issues, <http://www.independentsector.org/issues/accountability/Checklist/index.html>. You will find that some of these standards will help you in the development of your group. There is increasing pressure from State Attorneys General, the Internal Revenue Service (IRS) and foundations, corporations and government to assure quality return from public charities and a clear sense of measurable goals and objectives. Foundations and other grantors are using the Internet to ascertain the viability of organizations before providing grants.

I strongly advise that any person starting a nonprofit to talk to an attorney about the process. There is a brief discussion later about finding an attorney, page 30. As you take the next step in looking at beginning a nonprofit organization, I wish you every success.