



*The Secret Guide
To Starting a
Nonprofit 501(c)3*



InstantNonprofit

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September 2019

The Secret Guide: How to Start a 501c3 Nonprofit Organization



Thinking of starting a nonprofit and you don't know how to do it yourself?

First of all, **congratulations!** You have taken your first step towards making a difference in a way that only you can.

Nonprofits are an essential part of our social fabric. These ventures help reduce human suffering, improve conditions for animals and the environment, and bring awareness to humankind's most pressing problems.

So, you are at the right place. In the article we are going to cover you everything you need to know before starting a nonprofit organization: How to start it yourself, what you can do with it, and how to make it sustainable.

Here is a quick summary of what we are covering in this post:

- Naming your nonprofit and coming up with a mission statement Filing all of the paperwork at the state and federal level
 - How to recruit and run your board of directors
 - Which **501(c)3** application form is right for you
 - How to set up your website and social media
 - How to raise money for your nonprofit
 - How to keep it all organized (and do it on the cheap!)

Follow this guide and you'll have the best opportunity to succeed in your nonprofit's important mission!

Introduction

You know that gnawing feeling.

There is a calling, a need, that you just cannot shake. A wrong that needs to be set right, or a fellow human who needs comfort - and only you see the solution so clearly.

But it all feels so overwhelming. You've got things to do and bills to pay.

Plenty of people have pointed out to you already, there are lots of reasons to leave it alone and focus on your own life. Could their stories be right?

- There are over one million nonprofits already in the - U.S. It's hard and expensive to start a nonprofit
- Maybe someone else who will take care of this problem

"Besides, who am I to think I can make the difference?" you ask yourself.
...WELCOME to the world of the nonprofit founder. **We've been waiting for you.**



I, and many of the thousands of nonprofit founders I have spoken with, have been through the same agonizing thought process.

We felt the same doubt and concern about following through on starting a nonprofit organization, only to have those feelings reinforced by the troves of confusing and often contradictory information available on the internet.

Normal people don't speak "legalese" as their first language.

Americans don't like bureaucratic paperwork.

The "do-ers" of society who get things done - like you and me - feel like the very fiber of our being is getting pulled apart when every step we take seems to be thwarted by another requirement or question.

When it comes to the unfamiliar - like starting a nonprofit organization - complexity and lack of clear rules and processes can be like "quicksand for the soul", where every move we try to make just brings up another challenge.

We're on a quest to change the game, and I hope you'll let us know if we're on the right track.

When it comes to sticking your neck out and making the world a better place, shouldn't "they" be making it easier, not harder?

Yes, "they" should.

But they aren't going to.

We are. Right here, right now.

So let's get started!

Five years ago, I created a company with a vision, a paint brush, and an office chair. This year, we helped start our **2,500th** nonprofit.

One of the most valuable investments I have made as an entrepreneur is to have literally thousands of conversations with people who want to help others.

I still hop on the phone with future and previous customers every single week.

And considering how long our team has been engaged in helping create change on this rock spinning through space, I had an astounding realization this year:

There is no definitive guide on how to start a nonprofit organization that actually helps people understand "HOW TO IT" - versus "WHAT TO DO".

My **#1** mentor, the brilliant Eben Pagan, made that distinction clear to me. There are libraries full of books, with "How to..." in their title.

People search for answers for relief - for someone to show them - not to be handed another pile of tasks for their already-overwhelming list.

Do a “How to” search on Amazon produces over **200,000** hits, but nearly every single one is full of requirements without context or specific directions - leaving the reader worse than when he or she began the journey.

So, like you, I awoke recently with a calling on my heart, a mandate, that I can no longer ignore, because there are good people in need of help, and there’s no “Batman” who can respond to the beacon of distress.

It’s up to me. Well, me and you, really.

That’s why I’ve bellied up to the bar and worked with my incredible team to create “The Secret Guide to Starting a **501(c)3** Nonprofit”. We want it to be the most accessible, valuable, easy to use “How To” you’ve ever used.

We hope it will bring you the help you seek, and we also hope it will start a conversation. We want to know how to make it better, how we can serve you - because we’re not “gurus”. We’re humans who have gotten very good at a few things and we want to share those with you to help bring YOU to your full potential in this life.

That idea has me more excited than I have been in some time, and I hope it excites you to -in a way that spurs you along your own journey.

Let’s not waste time - because someone out there needs what only you have!

What is a Nonprofit Organization?



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When we use the word “nonprofit”, we usually mean a tax-exempt **501(c)3** charitable organization.

Loosely defined, “charity work” has existed since the beginning of time, as any person or group who does something beneficial to society.

The term “nonprofit”, however, generally represents a more formalized entity with the coveted tax-exempt status as granted by the IRS.

Once you have filed Articles for your Nonprofit Corporation at the state level, you may apply through the IRS for Federal “Tax-exempt status”, under Section **501(c)3** of the Internal Revenue Code, as authorized by an Act of Congress in **1954**.

So, technically, “**501(c)3**” is not the entity itself, but is a special tax status reserved for organizations purposed to benefit society, and not to make a profit for shareholders.

As you may have guessed, that also means that no one “owns” a nonprofit.

These entities are governed by a Board of Directors, not shareholders, and this detail is the other primary difference between a for-profit and a nonprofit organization.

There are **26** different types of nonprofits or “not for profit” organizations.

In its most basic form, a nonprofit organization is one that, as its namesake states, does not produce a profit to be paid to its business owner (since no one “owns” a nonprofit), and also serves the public interest.

Generally, the purpose of the organization should be social, civic, charitable, educational, scientific, or religious.

That covers a wide range of organizations!

Instead of selling a product or service for a price that exceeds its cost of production (resulting in measurable profit), a tax-exempt nonprofit must perform what the IRS defines as “exempt activities”.

These organizations typically use or reserve all of the revenue available after normal operating expenses to serve its mission.

Nonprofit organizations of all types may have paid staff or volunteers.

It’s important to note, however, that except for its exemption from corporate and certain other types of business taxes, **501(c)3** nonprofits are treated much like any other business when it comes to payroll:

Employment taxes for them are not much different from those imposed on their for-profit counterparts.

What are the Different Types of Tax-Exempt Nonprofit Organizations?



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There are more than two dozen types of tax-exempt organizations, ranging from “industry trade organizations” (for example the Chamber of Commerce) under IRS **501(c)6**, to “issue advocacy” organizations such as the Sierra Club or the NRA under IRS **501(c)4**, to those congressionally chartered such as the Veterans of Foreign Wars or “VFWs”.

However, the vast majority of organizations under Section **501** are the classic “**501c3** charity” type - which holds the all-important quality of tax-deductibility for donors.

This provides the most powerful incentive to give, because a gift usually lowers the taxable income of the donor.

Defining **501(C)3** Nonprofit Organizations

To be tax exempt, an organization must have one or more exempt purposes stated in its organizing document.

For a nonprofit to have **501(c)3** tax-exempt status, it must qualify as charitable, scientific, educational, or religious.

For an organization to be considered charitable under **501(c)3**, it must conduct activities that promote:

- Relief of the poor, the distressed, or the underprivileged
- Advancement of religion
- Advancement of education or science
- Erection or maintenance of public buildings, monuments, or works
- Lessening the burdens of government
- Lessening neighborhood tensions
- Eliminating prejudice and discrimination
- Defending human and civil rights secured by law
- Combating community deterioration and juvenile delinquency

Educational organizations include:

- Schools
- Day care centers
- Organizations that offer a “distance learning” course of instruction by correspondence or through television, radio, or the Internet
- Organizations that conduct public discussion groups, forums, panels, lectures, or similar programs
- Museums, zoos, planetariums, symphony orchestras, similar arts and educational organizations
- Youth sports organizations
- Animal rescue
- Environmental awareness and education organizations
- Research organizations

Nonprofit religious organizations include:

- Churches, including synagogues, temples, mosques, and other similar types of religious organizations
- Mission organizations, ministries, or faith-based social agencies.

Once classified into one of the above categories, an organization must also be defined as a public charity or as a private foundation.

The difference between the two is defined by the organization’s source of financial support. Generally, a public charity will have a broad base of support mainly from individuals, grantmaking organizations, and/or government sources.

According to the IRS, an organization is a publicly supported charity if it meets one of two tests:

1. The organization receives a substantial part of its support in the form of contributions from publicly supported organizations, governmental units, and/or the general public.

For example: A homeless support organization whose funding is generated through widely distributed social media campaigns, events open to the public, or private and public grants is a publicly supported charity.

2. The organization receives no more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions.

Example: A parenting-focused ministry organization relying upon a small amount of investment income, but primarily supported through parenting workshop fee revenue is a publicly supported charity.

The Answer to the Question, “What is a Nonprofit?” - In a Nutshell

There are many different types of “nonprofit”, but what most people mean by that term is a Tax-Exempt, Charitable Organization.

Once you file a Nonprofit Corporation in your state - making sure, of course, to file an addendum with the proper IRS-approved Charitable Purpose and Dissolution language if you plan to ask the IRS for Tax Exempt **501(c)3** status – you are officially “in business”.

But not so fast! If you want your donors to be able to write checks to your organization and receive the coveted tax deduction.

In that case, you need to carefully prepare your “IRS Form **1023** Application for Tax-Exempt Status”, compile lots of addenda, and send it to the IRS – BEFORE you collect those checks.

Of course, you could utilize our service to do all of this for you for a tiny fraction of what an attorney might charge, and complete the entire process in less than two hours!

What are the **Pros** and **Cons** of Starting a Nonprofit Organization?



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The answer to this question is more elusive than you might think, because much of on the Internet that is either outdated or just plain wrong.

The perspective of the person providing the answer is also highly relevant.

A corporate attorney writing about the subject may have a bias toward for-profit corporations (even if he or she supports causes they believe in), while a member or employee of a nonprofit may feel the desire to advocate for the role that social benefit organizations play in the fabric of our society.

They're both right! This article will lay out a factual basis for the pros and cons of starting a nonprofit organization - so YOU can make the decision.

First, it's important that we define our terms. Since we defined the different types of tax-exempt organizations in this post, we're going to focus on the 501(c)3, which represents two-thirds (about 65%) of all tax-exempt nonprofits, in this post.

People typically use the terms "nonprofit", "501(c)3" and "charity" to mean the same thing: A Nonprofit Corporation with 501(c)3 Tax Exempt Status, usually under the "public charity" designation.

A public charity means that the organization relies upon a combination of donations from the public, fee-for service payments, or grants from government or private sources, for a significant portion of its revenues.

Before we get into the pros and cons specific to the tax-exempt **501(c)3** nonprofit, let's quickly review the six most important considerations and markers of the corporate entity in general, regardless of whether it is for-profit or nonprofit:

1. **Protection from Liability:** Any kind of corporation or LLC (which stands for "Limited Liability Company" brings with it protection against liability - those who own it (in the case of the for-profit) or run it (the directors, officers and staff of a nonprofit) have what is called the "corporate veil" - protecting them from being sued over issues related to the entity or organization.

This removes the burden founders face in the case of debts, lawsuits, fines, and other legal matters.

Employees and board members are also protected by limited liability. Their private assets are shielded from creditors and courts.

However, if an officer or director acts illegally or highly unethically in making decisions on behalf of the nonprofit, he or she may be held accountable.

2. **Perpetuity:** The nonprofit organization possesses a legal status as a "person" along with an identity distinct from the founders.

This appeals to those looking to start a purpose-driven organization to last across generations.

Would-be donors are also more inclined to provide funding to organizations that they believe will endure long-term.

Legally, a corporation's lifespan, unless it is artificially predestined to close down on a certain date, is said to exist "in perpetuity."

3. **Personhood:** In the United States and most countries, corporations possess the right to enter into contracts with third parties, generally engage in commerce, and to defend against or initiate a lawsuit in court, just like natural persons or unincorporated associations of persons.

The phrase "Corporate Personhood" often refers to the ongoing public discussion over the extent to which rights traditionally enjoyed by natural persons should also be extended to corporations.

4. **Independent Tax Determination:** Since the corporation is considered a separate "person" with rights and responsibilities on its own, decisions potentially requiring expert or professional advice must be made regarding taxation.

For-profit companies make numerous decisions related to minimizing tax liabilities.

Likewise, nonprofit corporations also must go through an additional level of tax determination by applying for federal Tax Exempt status based upon IRS' Internal Revenue Code Section **501(c)3**, or it will be subject to taxation on its income like any other corporation.

5. **Fiduciary Duties:** While the founders of any corporate entity do enjoy significant insulation from liability regarding the decisions of the corporation, they become subject to certain responsibilities which must be adhered to.

Should a director be found guilty of gross negligence or worse, there could be legal implications for the directors and/or executives.

6. **Control:** Occasionally, founders of corporations find themselves being removed from their position of power in the organization - either by Directors or shareholders of a for-profit corporation, or by the majority of the Board of Directors in a nonprofit. Measures can be taken to make this more difficult, but ultimately a nonprofit is governed by the Board of Directors.

Should a founder want to protect themselves from being pushed out, they may want to consider amending the bylaws to put safety measures in place that protect their position, while not violating best practices, or the law.

Pros of the Tax-Exempt Nonprofit

As we covered in our post titled, "What is a Nonprofit?" there are three primary tangible advantages that are specific to the **501(c)3**:

1. **Tax deductibility for donations:** When an individual or corporation donates to a nonprofit, the amount of taxable income on which they will be taxed is reduced (see: Deducting Your Donations).

This is the most powerful incentive for donating money to a nonprofit, and this deductibility is only reserved for the **501(c)3** designation.

2. **Exemption from Income Tax:** As the "tax-exempt" label might suggest, the corporation is not taxable based upon income, and once the IRS **501(c)3** Letter of Determination is received, the nonprofit is eligible for state-level exemptions.

State income tax exemption is generally automatic, while sales, property and other tax exemptions may be applied for.

3. Access to grants (public and private) and government resources: Nonprofits with federal tax-exempt status also become eligible for a wide range of benefits in working with state and local governments.

For example, free use of municipal and county event space, amenities, and equipment, and many other resources that are not available to local for-profit businesses.

4. A positive Image (a.k.a. The “Halo Effect”): The “Halo Effect” is a phenomenon where one’s positive perception of a person or company based upon one impression, transfers into a belief that the person or company is inherently good - influencing the desire to like or do business with them.

“Joe Smith runs the Happy Tots nonprofit, so he must be a good person. I think we should hire his construction company to build our addition.”

While a few may pursue “good” for praise and to gain personally, most people who do good in the community have altruistic motives.

This is why we believe there’s absolutely nothing wrong with Joe and his nonprofit employees benefiting from their positive work in the community through the relationships and social standing that can lead to business benefits!

5. A Sense of Purpose: It is well-documented that nonprofit employees - especially those who are millennials or younger - are motivated by the intrinsic rewards of their work, such as seeing the positive results in the lives of others, versus maximizing their personal income.

Nonprofits are able to recruit employees - some of whom are disenchanted with the very corporate world that trained them to be effective - and make great use of their skill sets in a meaningful area.

6. Growth: The nonprofit sector has grown over the past **3** decades, and outpaced economic growth in the U.S. even during the post-**2008** recession.

A **2015** Johns Hopkins study found the U.S. nonprofit sector employs **11.9** million people, putting it third out of eighteen major sectors as an employer of American workers.

The future looks even brighter based upon a massive, complimentary trend among younger generations: The **2015** Millennial Impact Report found that **84%** of all millennials made a charitable donation in **2014**, and as highlighted earlier, young people are seeking deeper meaning in their work - often valuing such intrinsic values

over a pay increase - which bodes well for mission-oriented for-profit companies and nonprofits alike.

Cons of the Tax-Exempt Nonprofit:

1. Lack of Profit Incentive: Raising capital for a nonprofit is more challenging because there is no hope of an “exit” for someone who invests, unlike a for-profit, where shareholders can see a strong upside in the company’s success.

Typical corporate profits may also contribute to a retirement “nest egg” for employees, where a nonprofit must build in a compensation-based retirement plan in order to provide the same type of benefit.

2. Funding Challenges: With \$1.98 trillion in funding and \$3.67 trillion in assets in 2017 (Urban Institute)

, the nonprofit sector represents an enormous economic sector.

However, many fledgeling nonprofits struggle to obtain the funding sources that provide enough runway to reach sustainability, as they face serious competition for funding from donors and grants.

3. Paperwork: For both profit-based companies as well as nonprofits, there has been an increasing number of bureaucratic burdens ranging from disclosure filings, fundraising registration, and even local filing demands (often in the name of “anti-fraud” efforts).

These regulations often factor into whether to create a nonprofit.

The good news is that niche companies such as ours have taken on this challenge by deploying technology-based apps and process innovations to make such filings easy and economically viable, so their nonprofit customers can stay focused on their important mission.

4. Public Scrutiny: Since the nonprofit is in the public domain, most filings are available with a few clicks of a mouse (including the **990**, which is the nonprofit “tax return”) -and are therefore subject to scrutiny and criticism.

Should the nonprofit inadvertently violate a social norm, or should a situation be taken out of context, a nonprofit can find itself in a storm that feels beyond its capacity to recover. The media is sometimes hypercritical of nonprofit decisions regarding employee pay and use of funding, and may not consider the context before publishing a damaging story.

There are a number of cases in which the founder runs into trouble, tainting the organization.

Think about Lance Armstrong and his self-named nonprofit, which famously rebranded itself as Livestrong in an impressive response to Armstrong's blood doping scandal.

Thankfully, these cases are few and far between - but in the age of social media, nonprofits must remain aware of the public's perceptions of their decisions and their spending.

Regardless of the pros and cons of starting a nonprofit organization, the most important question is: "Will the cause you were put on this planet to serve be better served by organizing a **501(c)3** nonprofit, or not?"

Our team has gathered data through interactions with tens of thousands of nonprofit founders, ranging from social media engagement to **1-on-1** consultation calls, and it all points to one conclusion:

The power of a single individual to create a massive ripple of change, by organizing people and resources for a singular purpose, is limitless.

So whatever the cause that drives you to dream, to lay awake wondering "what if..." or to feel there's more to life than racing from one obligation or distraction to another...

...take one small action every day toward the actualization of that mission. You'll be amazed at the results!

Should your Nonprofit Corporation seek IRS Tax-Exempt Status?



While people loosely refer to a charitable organization under the term “nonprofit”, the term fails to convey the fact that there are two elements to a full-blown Tax-Exempt Nonprofit Corporation:

1. Creation of the Entity: One must incorporate at the State level (with the Secretary of State) as a Nonprofit Entity – most states offer the designation of “Nonprofit Corporation” or “Non-stock Corporation” which is the preferable type.
2. Obtaining **501(c)3** Tax Status: This is an entirely separate process to request that the IRS bestow Tax-Exempt Status on your entity.

It is left to the State to create or charter the entity, while the Federal Government controls the Federal tax status of the entity. (Yes, we can help with any and all of these processes with our **501(c)3** packages).

Aside from the societal benefits, there are many legal advantages to being granted tax-exempt status by the IRS.

Among them are tax exemption, the right to solicit donations, qualification for grants, employee benefits, and lower postal rates.

Nonprofits that have successfully applied under **501(c)3** are generally exempt from paying federal, and state income, and certain employment taxes.

State taxation authorities generally defer to the tax status granted by the IRS – so if an organization is not taxed on income by the IRS, its income won’t be taxed by the state!

A separate exemption process may apply for sales and other state taxes, and yet another process almost certainly will apply if there’s a desire to avoid local and municipal taxation.

Tax-exempt entities are also eligible for tax-deductible charitable donations – meaning the donor can write off the equivalent amount against income.

This is appealing to donors because they know that their donations will reduce their tax liability.

This is especially beneficial because nonprofits have the right to solicit those donations! As a nonprofit, fundraising, including donations and grants, will be a major source of income during every stage of the business.

Finally, nonprofits are often not required to pay unemployment compensation, but *can* offer health and life insurance.

Saving funds where possible is also an important part of a nonprofit's core mission, and there are many "special considerations" offered to tax-exempt nonprofits by government and corporations lower postal rates as a *bulk mailer* definitely fits in the "saving" category.

Now that you understand the benefits of **501(c)3** tax-exempt status, let's dive into how to form and launch your nonprofit entity.

How to Name Your Nonprofit



Photo by rawpixel.com from [Pexels](https://Pexels.com)

Chances are, if you're reading this article, you've already got a mission and purpose in mind - and if you need help distilling it further, we'll link you to a great resource below.

But right now, you know that choosing a great name for your for your nonprofit is crucial.

You're starting a nonprofit organization because you want to make an impact in the world, and the best way to honor the people you'll need to reach with your message is by putting enough thought into your organization's name.

If there's one concept we'd like to instill about naming, it's this: A well-named concept or product is a valuable concept or product.

In other words, your nonprofit name conveys your mission, and its importance in the world, and it will be the front-line asset in attracting the resources you'll need to flourish.

No matter whether you're starting a nonprofit or a corporate venture, the challenges and principles of naming your organization are fundamentally the same.

It's also crucial to keep this process short and sweet because while naming is important, you can't let it get in the way of moving your vision into reality.

The following principles will help you jump-start the naming process and help maximize your brilliance and creativity to create the nonprofit name that you'll be proud of...and everyone will be talking about!

So, grab your Naming Your Nonprofit Worksheet and let's get started with the five actionable steps to generating a great name for your nonprofit:

1. Name Generation (Brain Dump) - This is simple. Don't think too much about it, just grab a blank document or sheet of paper and start writing, with no limitations and no judgment - let it flow!

There are no good or bad ideas at this stage; it's about quantity - not quality. You'll be surprised at what comes up when you just keep writing.

Use a thesaurus, and look up any key words or concepts - you can "zoom out" and "zoom in" and play with different versions of words - for example you can "zoom out" so that "animals" or "creatures" (both general) can "zoom in" for specificity. "Cats" can become "felines", and you can even become breed-specific.

The less pressure you apply to yourself, the more fun you can have!

For example, "Woodland Park Animal Rescue" can become "The Underground Railroad for Greyhounds" - and your logo could be a handful of Greyhounds sticking their heads out of the windows of a passenger train!

Try to come up with a minimum of **25** names and have fun with it. People will appreciate and be attracted to your authenticity and sense of humor.

2. Refine your list - Score your list from **1-5** using these **5 Principles**: Is the name simple and easy to remember? Simple is better - but avoid names and terms that are too "cute". Is the name easy to say and spell? Anything that causes "brain strain" on the part of someone who may want to get involved - such as having a hard time pronouncing or spelling your organization as they search for that event invitation - could factor into your ability to attract people and their "time, talents, and treasure" that you need to grow your organization.

Does the name describe the organization's mission or function? For example, names like "Big Brothers and Big Sisters" and "Wounded Warrior Project" clearly communicate the benefit the nonprofit provides.

- o Does the name evoke positive feelings? If your name brings an immediate association of hope, action, or any other core motivating values, you are more likely to spark the enthusiasm needed to establish a relationship.

- Touching on people's passions and purpose makes them want to be a part of what you do. Think of enduring, positive, catchy names such as "Special Olympics", versus a stale alternative such as "The Association for Developmentally Challenged Athletes" - even though "Special" has been replaced by "Developmentally Disabled" as the politically correct term.
- Create a short-list of the names you've produced by using these principles. Then go through the list and consider the following:
- Potential cultural connotations or other less-obvious negative associations. There's the old story about General Motors trying to sell the popular model Chevy Nova in South America under the same name - but in spanish "No Va" means "No Go".
Acronyms Examples: K.I.D.S., short for Kids In Distressed Situations is a great one;
- the YMCA - Formerly known as the Young Men's Christian Association. Negative Examples: Mississippians Improving Access wanted to be seen as action-oriented, but the acronym of "MIA" undermines that idea. Closer to home, my teen son wanted to name his school group the "Kewl Kids Klub", but then I pointed out the obvious... How might people shorten your name? No one calls the ComicCon the "Golden State Comic Book Convention" anymore.
-

You get the idea 😊

So, pay attention to the details, look at all angles, and keep your audience's perspective in mind.

3. The "Poor man's" focus group - Write down a brief list of friends, family, local business people, trusted advisers, and mentors and ask them to say the first thing that comes to mind as they hear the list of names you slowly read off to them. Don't defend or discuss - it's best to just take notes and listen. Also, a cross-cultural focus group can really help expand the perspectives!

When they've said their piece, ask questions and listen more.

Then, sleep on the results and we promise, you'll gain insights and ideas that will help you - some of which may go beyond naming your nonprofit organization.

4. Conflict Search - While there's generally no need at this stage to hire a trademark attorney, it's advised that you determine the availability of your final names.

While we don't purport to be lawyers (and do not give legal advice) you likely won't run into any infringement issues if you're not doing a similar type of business under a similar name in the same geography.

Here are **3** ways you can search for overlapping name issues:

Google search - You want to know if there's anyone that's been using your exact or

similar name, so do a search with quotes and without quotes - so you can search "like terms" and also "exact match".

Do a Corporate name availability search on your secretary of state's business filings website - Today, nearly every state has online search capability.

Look for relevant website URLs (a.k.a "domain names") - because today, the Internet is the first place people go to look up your organization, and if they can't find you, they can't join you.

Thankfully, with most desirable "dot com" and "dot org" domains - both commonly called "top level domains" or "TLDs" for short - already taken, it has become more acceptable to use an alternate "domain extension" ending such as ".co", and If ICANN sticks to its current plan to expand the internet address space with new addresses such as .BERLIN, .NYC or .RADIO, you'll see a nearly infinite expansion of website address opportunities for every niche under the sun.

- Name Reservation/Incorporation - If you plan to use our end-to-end nonprofit formation services there's no need to reserve your name - this is included in our Instant Nonprofit **501(c)3** Formation Package.

If you haven't made that decision and are still in the preliminary stages of creating your nonprofit identity, most states allow you to reserve the name for a period of time for a small fee. Considering the time and effort you've invested above, you don't want to lose the name you've come up with!

Editor's Note: Two more important notes on Website Domains...

1. What is Domain Squatting? The unsavory practice known as "domain squatting" is an all-too-common practice where internet domain name profiteers buy domain names solely for the purpose of sitting on them, hoping to sell them to people like you - once you've decided on a name for your organization.
Often the price at which they're willing to sell is too high for the budget of anyone starting a nonprofit organization, so you'll need to consider if your desired name has a "must have" domain name to go along with it.
2. Consider what a reasonable person might interpret when they type in your web address. For example, if the organization "Experts Exchange" uses the URL *www.expertsexchange.com* (not a real site - for example only!) one person will see "ExpertsExchange.com" - while another reads "ExpertSexChange.com" - it is only a matter of perception!

And there you have it!

Follow the **5** steps above and you'll be well on your way to making a solid selection for your nonprofit name while confidently moving through the process of getting launched and making your vision a reality.

Naming Your Nonprofit Worksheet

5 Steps to Create an Unforgettable Nonprofit: [DOWNLOAD NOW](#)

How to Select & Recruit Your Founding Board



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Even if you've never started a non-profit organization before, you've likely heard of the board of directors, or as it is sometimes called, the board of trustees.

We hear the "board" (short for Board of Directors) referred to with regard to both nonprofit organizations and for-profit companies.

But unlike for-profit entities, nonprofits don't have shareholders that own a piece of the action!

The shareholders of a company have a natural interest in making sure the resources of the company are being utilized properly and that laws and ethical guidelines are being followed, or they'll lose their investment.

This means that in the event of a failure or crisis of the board (for example, the majority of board members suddenly resign), the shareholders can come in and set things right.

Nonprofit entities have a corporate structure that is legally referred to as a "non-stock corporation", so no one can own any shares of the nonprofit.

Therefore, when it comes to corporate governance, the Board of Directors is the sole governing body responsible for and capable of overseeing the management of the organization!

That makes a board of directors necessary, and this is exactly why a nonprofit's bylaws must include clear, solid procedures for selection of directors - and other provisions designed to allow a smooth transition of decision-making power in the event of a crisis.

In fact, the IRS requires affirmation that you have such procedures, or a copy of your Bylaws, in order to accept your **501(c)3** application.

Since this article is being written to help nonprofit founders "get things right and get things done" - a balance that can be challenging - we're focusing on what we call your "founding board".

Over the years you will likely attract more experienced, connected, and perhaps even wealthy board members, but early on, you have enough hurdles to overcome, so K.I.S.S. is the rule!

From a practical standpoint, your initial board members (also commonly referred to as Directors) are usually the most enthusiastic, unpaid supporters of your mission.

They're also the strategic leaders of your nonprofit, and they have the responsibility of making sure your nonprofit organization follows nonprofit law and adheres to its mission.

5 Simple Principles to Follow When Selecting Your Nonprofit Board Members:

1. Board Recruitment & Board Makeup

You'll need a minimum of three board members, and you'll likely want to appoint yourself and bring **2-4** additional people on to fill the three required officer positions of President, Secretary and Treasurer.

The fewer in number, the easier it will be to hold any meetings, and to get things signed and approved.

We recommend you choose friends or colleagues who are well-known and loyal to you personally, and whom believe in your mission.

This project is your baby, and loyalty is **#1** in this fragile stage of your nonprofit!

Loyalty and strong relationships trump power and prestige – You have enough challenges getting all of these steps executed without trying to find the “perfect” board member.

It's probably most important early on to make sure your board is understanding, flexible and loyal to you, and that you're surrounded by people who respect your vision for your nonprofit.

Get the organization off the ground and then you'll have an easier time recruiting your ideal pillars of the community.

As you bring on more experienced directors, you can gradually retire your best friend or that old college professor who was willing to do you the favor of sitting on your beginning board.

And unlike what some consultants might tell you, in the early stages of framing your nonprofit, you don't need fundraising powerhouses on your board, especially if this is your first experience in forming a nonprofit.

You can get on to some of that stuff later. Right now, you just need to get your entity up and running - so again, keep it simple!

2. Avoid Conflicts of Interest:

An IRS-perceived conflict of interest can put you at risk of being rejected for your tax-exempt status.

The principle conflicts are close connections, outside relationships and self-dealing, and excessive benefit or compensation.

IRS concerns over these close connections are aimed at separately established organizations that have (or plan to have) a relationship involving sharing or coordinating management and direction, finances, employees, or activities.

Informally agreeing to work with another organization is OK; formally attaching to another organization can be sticky and should be avoided, especially early on.

If you do not share funds, a majority of board members or employees, or cooperatively run activities with a non-exempt group or a for-profit company, then “close connection” is generally not a concern.

And if you do have a close connection, it's usually okay if it's disclosed properly. Another conflict is outside relationships among board members and key employees.

The IRS understands that often husbands and wives or other family members, or people who have business relationships often believe in a mutual cause or idea, and that this leads them to serve together on a board of directors.

These relationships are usually fine, as long as it's disclosed.

What the IRS is more concerned about is the situation where people who are connected outside the organization exercise control and therefore could potentially use the nonprofit's tax-exempt status in a way that benefits them personally.

Next is the conflict of "self-dealing". This simply means, "Are individuals who are considered 'insiders' in the nonprofit benefiting from a decision made by the nonprofit?"

For example, steering lucrative advertising contracts to one board member's ad firm, above market rates, is a clear conflict.

This is frowned upon and could get your tax-exempt status denied or revoked if you do not disclose and demonstrate that you have a policy to make sure no one will unfairly benefit.

Along with self-dealing, the idea of avoiding excessive benefit or compensation is a big IRS Red Flag.

This can be avoided by performing an online search to compare a similar position or contract in a similar size organization in a comparable geographic area and coming up with an average compensation rate.

Just print it out and throw it in a folder, and you're covered!

Like the rest of these, the easiest test you can apply is the "smell test" - try explaining the compensation amount or potential conflict of interest to yourself or someone close to you, and rely on your own judgment.

Conflict of Interest Policy and Compliance Statement

IRS-Friendly policy document required to get your 501(c)3 status. [DOWNLOAD NOW](#)

1.3

Let them off the hook - Tell anyone you're recruiting for your Founding Board that

the initial term is **90** days. When we create a **501(c)3** for a customer, we draft a “Board Director Recruitment & Consent Form”, which outlines the simple things you are asking your Directors to do, the minimal time commitments, and defines a short period for the initial appointment, so that no one feels overly obligated. Meanwhile, we also include a provision to allow for the term to automatically extend to one year. This way, if they are a “rock star”, it’s easy for them to remain in the position - or if they are a well-meaning “no-show” to meetings and cannot manage the minimal requirements, you can let them go after the initial appointment period, thanking them for allowing you the time to recruit someone to take their place on your board.

2. 4

Make it “Zero Brain Damage” – Early on there shouldn’t be much work for them to do. Remember, Officer and Director are volunteer roles! It’s better to have full commitment from a director to do two or three top priority items you need done, instead of having a large list of tasks - or the Founder or Executive Director may run the risk of ending up doing all of the work because of overwhelming the volunteer help! Your Board Director Recruitment Consent Form form also doubles as a 1-page, bulleted list of responsibilities, and helps your prospective Board member say “yes” by listing the small number of simple things you are requesting they do, the frequency format for your Board meetings, and the estimated time commitment. To help you with all of this, we’ve provided a complimentary Board Director Recruitment Consent Form to guide you with your on-boarding process. Over time, in addition to finding the right people for your nonprofit board, you’ll also want to consider skill-sets they may possess, so you can match those up to the needs of your organization. Start by making a list of the tasks that need to be done and at this early phase, simply allow board members to volunteer for them. Jobs and board members should be well-matched so that everyone has enough to do, but no one is overwhelmed. This will depend on your organization’s needs, but you should be thinking with a mix of skills including marketing, financial, tech, legal and social services. That said, don’t forget about the value people outside of “professional services” (such as attorneys, accountants and tech) can offer. Parents or volunteers who love your work and who tend to get things done in their own lives are excellent people to have on your board. They’re full of passion and commitment, and often bring specific ninja-level skills (such as managing events, or running Excel spreadsheets) - as well as the all-important “people skills”. Now that you’ve selected your nonprofit board, we can move into the next step of the **501(c)3** application process, and apply for your nonprofit articles of incorporation and EIN.

Board Director Recruitment & Consent Form

Enjoy easy-onboarding for your Directors with a simple, one-page document outlining expectations. [DOWNLOAD NOW](#)

How to Run Your Board Meeting in **30** Minutes or Less



ID 124718231 © Fizkes | Dreamstime.com

From The CEO: One of the primary questions that we get in the nonprofit formation process is not just “What to do” but “How to do it”.

*In fact, you and I and everyone else on the planet would be able to throw away **90** percent of the reading material we come across when learning about something new (like starting a nonprofit) if we did this ONE THING:*

Divide the “What to do” from the “How to do it.”

We don’t just hand you another pile of tasks to burden you with some clever words about the tasks you have NO IDEA how to accomplish.

“What to do” usually consists of items like “ask people to serve on your board.” If you’ve never done that before, it’s pretty anxiety inducing!

So, as much as possible, we give you the secrets on HOW to actually DO IT.

Think about it - most of the “How to” books and materials at Barnes & Noble actually only tell you the “What to do”.

I believe the demand out in the world for the actionable “How to” - and a short supply to fill it - is one reason YouTube has exploded in popularity.

*Would you rather read a book on replacing the transmission in your **1965** Corvette, or do you want to watch Vinnie the Master Mechanic actually fix the car, set-by-step? My money is on Vinnie.*

*Start using that lens to view the material you consume in your nonprofit (or any other) effort, and you'll notice the small percentage of blog posts and books that care enough to **REALLY** break it down, from those who have actually **DONE IT**.*

OK, let's get to it!

How to Run your Board Meeting in 30 Minutes or Less

Running a board meeting involves asking humans (usually your friends, family or colleagues) to do something they would not normally do; therefore it creates stress in the minds and hearts of nonprofit founders who don't have lots of experience managing people and organizations.

Asking people to meet for drinks on Friday, or a walk in the park? Much easier!

The good news is, we can make this easy as well, and maybe even fun!

It is our mission in publishing this material for you to not only help you “get through” the learning curve, but to absolutely feel great about it - such as walking out of a well-run board meeting, with your Directors patting you on the back and praising you for being such a “pro” - even if you feel like you have NO IDEA what you are doing going into the meeting!

We're going to cover this topic in two segments:

1. Preparation and Mindset: First, we will cover a bit about setting up and managing the Board meeting, along with some crucial mindset tips)
2. Second, we'll dig into our Nine-Step Agenda for the meeting itself, which matches perfectly our PDF tutorial

The following five Board of Directors Meeting Best Practices are crucial to coming off like a “pro” - which will affect the confidence of your directors, your fundraising, etc.:

1. Prepare the board meeting agenda in advance: This will increase productivity during

the meeting by reducing the time needed to present and review information.

The agenda packet must be well organized, easy to read - avoid the impulse to add any superfluous materials. The agenda will help people understand what's going on at the meeting before they get there - versus trying to absorb a lot of information during the meeting.

2. Make your agenda strategic: Make sure you limit the agenda to one or two strategic goals during each board meeting. Depending on the number of your strategic goals and the number of board meetings you have in a year, you can adjust based upon your needs and available time.
3. Start and end on time: Time constraints are a wonderful thing, hence the name of this training "How to Run Your Board Meeting in **30 Minutes or Less**". Because if you aim for **30** minutes and you end up with **45**, you're worlds better off than **95%** of other nonprofit boards. We recommend you share an attitude of "gamifying" objectives (such as hitting a predetermined meeting length) by being super organized and helping keep everyone on point.
4. Address Decisions, not Updates: One of the ways that you can end meetings in the time allotted is to address decisions in your board meeting, not updates. At its core, the purpose of a board meeting is to present and clarify information and reports that actually contribute to decisions.
Those decisions then result in written resolutions.
Requiring any information to be considered to be sent in written form well ahead of the meeting - and restricting board meeting discussion to specific questions about that information - is key. Resist getting "in the weeds" with unplanned discussions and "topic surfing".
5. Keep good meeting minutes. Reliable notes are like life insurance - you hope you'll never need them but you better have them just in case! The easiest way to handle this Board meeting obligation is to simply record the meeting on a smartphone, computer, or handheld digital recording device - technology advances have taken away any excuse NOT to record the meeting. Not only does this take away the pressure on your secretary or whomever is making the notes at the meeting, but recording provides insurance for the organization should anyone challenge what was actually discussed and decided at a meeting.

Mindset of the Board Chairman - **the Secret Weapon for awesome meetings!**

We cannot overemphasize the importance of the chair's role in running board meetings, and in managing the board overall.

On the presentation slide for this training, you'll notice a "No Squirrels Allowed" icon - keep it focused, because the meeting dynamic is set by the chairperson of the meeting.

The demeanor and authority of the chair is paramount to keeping control of the meeting.

Poorly chaired board meetings are the number one annoyance with the board of directors typically, and are among the top reasons people resign from serving on a Board.

The most competent people will be the first to resign, as meetings wind up being too long, too unfocused, and ultimately too stressful.

So to keep the meeting running smoothly, the chair must have a kind but firm, authoritative tone - guiding and interjecting during the meeting to keep discussions relevant.

Often, members of your Board of Directors will, see it as their job as to ask a lot of questions and explore myriad topics; the board meeting is not the place to do that.

In reality, creating a framework for keeping meetings under control and tamping down distractions paves the way for strategic progress toward your organization's mission.

Now, on to the 9-Step Agenda and the meeting itself!

AGENDA ITEM #1: Recognize a Quorum (1 minute)

The first order of business is to recognize a quorum - which means “the number of directors required to be present to authorize call the meeting to order”.

The chair will determine if a quorum (as defined in your organization's by laws) is present.

If you were provided bylaws as part of our nonprofit formation package, a quorum is defined as a simple majority of eligible directors.

AGENDA ITEM #2: Call to Order (1 minute)

The Call to Order is next. The Chair will announce “this meeting is hereby called to order”.

We recommend you refer to the exact time on a clock everyone can see, and ask the Secretary (or other designated note-taker) to start a timer or make note of the time.

Again, the number one frustration expressed regarding board meetings is poor focus, resulting in long boring meetings.

This is the time to set the tone for the meeting. Inside this minute, you'll address everyone with a polite greeting and thanks for their attendance, welcome new members, and thanking any special guests.

This is also the time to ask everyone to turn off their cell phones. Some people even collect them in the middle of the table (a wonderful binding moment of vulnerability!) and make sure they are turned off.

AGENDA ITEM #3: Approve the Agenda (1 minute)

So following the Call to Order and polite acknowledgements, the chair moves to Approve the agenda.

If the chair has done their job, they've completed a board agenda template prior to the meeting, and sent it ahead of time, so that this step can simply consist of asking if all voting members present have had the opportunity to review the agenda.

If so, the chair will ask the members to approve the agenda, and kick the meeting into high gear.

If a member requests amendments to add or subtract items from the agenda, the amended agenda may be approved without a vote.

AGENDA ITEM #4: Approve Previous Meeting Minutes (5 minutes)

Approving the previous meeting's minutes is a little bit more involved, so it typically takes longer.

Before conducting any official business and making decisions, the board will usually approve the minutes of the prior meeting.

Here is another reason why it is important to circulate the previous meeting's minutes to directors ahead of the meeting.

The chair will ask if there are any corrections to the minutes. If there are no corrections, the chair will announce, "The minutes of the previous minutes are hereby approved as written" and then the document gets added to the organization's corporate records.

This may be done without a formal vote. Should you have a dispute arise regarding an amendment to the minutes, the chair may ask for a vote as to whether the amendment should be adopted.

Once the minutes have been approved, the chair shall announce, "If there are no further corrections, the minutes stand approved as corrected".

The secretary would then record any amendments to the minutes and the chair would sign the minutes to make them official.

AGENDA ITEM #5: Reports and Communications (5 minutes)

Next up, reports and communications.

This will take more time minutes as well, as it represents another meaty segment of the board meeting, consisting primarily of receiving the reports that are important to running the organization.

Often the executive director will report - even if that person is also a director - since staff are responsible for day-to-day operations.

Reports or recommendations by any special committees may be considered for a formal vote and adopted in a resolution.

The highlight of this meeting segment is often the treasurer's report - hopefully read at the simplest, highest level.

Generally, no discussion or action needs to be taken on financial reports; a vote is normally taken only after the annual official or audited financial report.

AGENDA ITEM #6: Old Business (5 minutes)

Old business consists of items previously discussed that are ready for formal approval.

Perhaps they were brought up in a previous meeting but not voted on; if additional discussion is required, the chair asks for approval to move those items to the discussion portion of the meeting.

All other items should fall into three buckets: **(1)** Items that are being voted on; **(2)** Items being postponed and, **(3)** Items being tabled.

AGENDA ITEM #7: New Business (5 minutes)

New Business also takes five minutes, and is the area to watch for the verbal “rip tides” that can suck your board meeting into topic-surfing oblivion.

The chair will announce new business items, one at a time, and allow for discussion -making sure to keep those discussions very focused.

The chair may request the members rearrange the order of items for efficiency and relevance.

The chair should invite discussion, discussion and facilitate debate as needed.

We recommend the chair limit the discussion to a certain length (perhaps one minute) and use a timer if possible, so everyone can follow.

The item may be either (A) voted on, (B) amended, (C) tabled, (D) moved to a committee for consideration or (E) postponed.

The Chair may want to take items needing further development (projects or initiatives, for example) out of the domain of the Board for a time, and put them in the hands of a committee who are working on a certain topic or project.

AGENDA ITEM #8: Other Business (3 minutes)

The Other Business segment can be relegated to about three minutes.

Following New Business, the chair will invite those present to bring up non-discussion items such as announcements, ideas, or items for future discussion.

This allows time for consideration prior to adding them the agenda of a future meeting.

So if someone says, "I have an idea for a future discussion item" - perhaps a decision around an initiative or an expenditure - this is the time to bring it up and put on the list for a future meeting.

AGENDA ITEM #9: Adjourn the Meeting (3 minutes)

Adjourning the meeting should take about three minutes.

The Chair will review actions from this meeting as needed, and confirm the date and time of the next meeting.

He or she will then thank everyone for attending and declare the meeting adjourned.

As an important final step, the chair should follow up with the executive officer and review any aspects of the meeting they need to discuss prior to the secretary writing the formal record of the meeting in the form of minutes.

The total of the **9 Steps** as provided here is exactly **29 minutes**, so you've still got one to spare!

Of course, if you've got a lot of discussion items, a robust agenda, or a large board, a meeting can take much longer - but if you aim for **30 minutes** to cover a simple nonprofit board meeting and limit the number of topics covered, your organization will probably remain much healthier for much longer.

Instead, your board is going to be able to roll up their sleeves and do things for the organization instead of getting mired down and demoralized!

Now, it's time to take action!

9-STEP NONPROFIT BOARD MEETING AGENDA

Run your meetings like a pro with this 9-step agenda: [DOWNLOAD NOW](#)

We look forward to rolling out additional trainings to help you maximize the impact of your organization and focus on your mission, instead of spending time needlessly to interpret the rules and process around bureaucratic requirements such as board meetings, and we look forward to your comments and feedback and hope you enjoy these resources.

Outside of the requirements of running your nonprofit, your Board of Directors is also required to set up your nonprofit corporation with your Secretary of State, so let's dive into How to Incorporate your Nonprofit and obtain your EIN.

How to Incorporate Your Nonprofit and Obtain Your EIN (Tax ID Number)

Nonprofit Inc.

First and foremost, filing Articles to establish a Nonprofit Corporation with your Secretary of State is necessary to obtain **501(c)3** tax-exempt status, which opens the floodgates to accessing the financial resources needed to run a successful nonprofit business and drive your mission forward.

Here's the top **3** benefits of nonprofit incorporation and **501(c)3** tax-exempt status:

1. Qualifying for public or private grant money - Excellent source for funding your mission.
2. Solicit tax-deductible contributions - You'll be highly attractive to donors as they can write off their gifts on their tax returns.
3. Personal liability protection - Should you find yourself in a lawsuit, incorporation protects members and directors from personal liability, so your money, house, cars, or any other property is not at risk.

That said, getting your nonprofit articles of incorporation can be time consuming, frustratingly complicated, and expensive - as every state has different requirements.

Outside of wrestling for approval at the state level, you must also ensure that you include the required IRS **501(c)3** language regarding purpose and dissolution clauses otherwise the IRS will reject your **501(c)3** application, and yes....they do check for it.

While the state requirements do vary, the common things you will need to get your articles of incorporation are as follows:

1. Conduct a name search for your nonprofit to ensure it's available
2. Get commitments from your founding Board of Directors (minimum of **3**)
3. Hire a Registered Agent (if applicable) - this is an individual or company who can accept legal service of process on behalf of the organization. Must have a physical address in the state in which you are forming (e.g., no PO boxes).
4. Organization address - Must have a physical address (any home or a borrowed office is OK, but PO boxes are not accepted); you can also have a mailing address if applicable (PO boxes accepted) for mailing purposes
5. Articles must include IRS-required **501(c)3** Purpose and Dissolution language
6. Select the appropriate language throughout the articles document:
 - i) Select "Domestic Nonprofit Corporation" or Domestic "Non-Stock" corporation on the Secretary of State website.
 - ii) Organization is "perpetual"
 - iii) The corporation is either "public benefit", "charitable" or "religious". Is not "mutual benefit". It will not be "private" unless you are starting a private foundation (sometimes known as a "family foundation").
 - iv) Generally, you do not want a membership-run Organization, so choose "does not have members". This does not prevent you from allowing people to belong to the organization in the traditional sense of the word. The reason a corporation does NOT have "members" in the legal sense is that it is run by a Board of Directors. "Membership"-run organizations must hold massive voting processes to allow each member a vote on decisions the organization makes - generally this is a nightmare!

If you're not familiar with the state processes, don't like paperwork, don't have an eagle's eye for detail, and are not familiar with the IRS **501(c)3** requirements, then we recommend you outsource getting your articles of incorporation to a professional you can trust.

We've had countless clients come to us after using a professional service, or trying to do it on their own, with errors that have incurred additional costs and complexity that could have been avoided from the start.

Once your nonprofit name and articles of incorporation are approved, you can get your EIN, also commonly referred to as your "Federal Tax ID Number".

Just like your articles of incorporation, the IRS requires an EIN, and you cannot open a bank account, conduct most financial transactions, or get IRS **501(c)3** status without it.

Your EIN serves as an identification number in the IRS database of tax exempt nonprofits, and is how you can be searched and found to confirm tax exempt status - potentially by donors - as well as file your annual federal tax returns, known as the **990**.

Getting an EIN can be simple, as the IRS offers an online assistant that requires basic organizational information, however, their system rejects a significant percentage of online EIN applications.

If this happens, you'll need to fill out an **SS4** form (the paper version of an EIN application) and fax it in to the IRS' "EIN Operation," along with a PDF of your Articles of Incorporation as approved by your Secretary of State. You'll also need to provide clear directions on how you'd like your EIN to be sent back to you.

You must keep your eye on your **SS4** submission - we have observed that since the government shutdown in early **2019**, the process is less reliable - with new IRS agents introducing new variables in the process.

Throughout **2019**, many recently hired IRS Agents in the Exempt Organizations department are apparently being trained in "real time" in their new roles, putting taxpayers at the mercy of human error.

If you file a paper **SS-4**, and five business days have passed and you still have not received a response, we recommend you follow up.

This unfortunately means you'll have to call and potentially be on hold for an extended amount of time, so fire up Netflix and make some popcorn ahead of time! 😊

Once you've got your Nonprofit Articles of Incorporation and EIN, you can move into the final step of dialing in your Form **1023** Application for Tax-Exempt Status to submit to the IRS for **501(c)3** approval.

How to Complete your Application for **501(c)3** Tax-Exempt Status



So far, we've walked through the most important steps on how to start a nonprofit organization.

We've done our best to avoid jargon, side-stepped pitfalls and quagmires, and laid out the roadmap to the end result of going from "idea" to "IRS-approved **501(c)3**"

... and now, it's time to wrestle with the Big Kahuna of the entire process.

The most challenging step is actually applying for your nonprofit corporation to be granted Tax-Exempt Status under Internal Revenue Code section **501(c)3**.

Enter the "IRS Form **1023** Application for Tax-Exempt Status."

Many or most of the less-favorable rumors you may have heard - including hard-to-reach IRS processing agents, long approval delays and lack of communication following submission, file delays or denials based upon a potential barrage of "additional information requests", and much more - are unfortunately part of the landscape.

Adding to the problem is the fact that the IRS application process has evolved over the years. For example, in **2018-2019** the IRS began instructing **1023** filers, effectively, "The IRS will not respond to calls on your **1023** for at least **180** days (**6** months) from your Filing Date".

Even worse, much of the information you might hear from other people, or find on the Internet, is GUARANTEED to be outdated, misleading or flat-out wrong!

"OH NO!" I can hear you saying, "This nonprofit thing is already confusing enough!"

You're absolutely right, it's unfortunate that on top of the multi-layered government maze, we have everything from lawyers to well-intentioned amateur bloggers running around sharing completely false or outdated information about the **501(c)3** process.

There are two paths to IRS **501(c)3** Tax Exempt Status ... Which one do I choose?

One of the first things you need to understand when considering applying for Tax Exempt Status is that, the IRS recently created two paths to **501(c)3**.

While there are still more than **20** steps to each path, one relies upon the form “**1023 EZ**”, while the other requires the traditional “long form” **1023**.

	EXPRESS	ENTERPRISE
Organization's Projected Revenues	\$50,000 or less (projected)	Above \$50,000
Organization's Starting Assets	\$250,000 or less (Day 1)	More than \$250,000
Time Required (Your Work)	30-60 minutes	3+ Hours
IRS Approval Period (our service)	4-6 Weeks	6-7 Months
IRS Approval Period (everyone else)	3-4 Months	1+ Years
InstantNonprofit.com Service Fees	\$677	\$1,167
IRS Filing Fee (separate charge)	\$275	\$600
File Format	Electronic	55+ Pages of dead trees mailed to IRS

Regardless of the path you take to **501(c)3**, here is the high-level list of the items you will need to file your Application for Tax-Exempt Status (in addition to the application itself):

- 1) Projected Revenues & Assets: If your projections(or gross revenues, if you have already been operating prior to filing with the IRS) are more than **\$50,000** annually, and you have more than **\$250,000** liquid value in total assets, you are excluded from the **1023-EZ**.
- 2) Entity Type: Your organization must be formed as a nonprofit corporation, not an LLC or other entity type, with a U.S. mailing address, and must have specific IRS provisions in the Articles of Incorporation, or you are excluded from **1023-EZ**.
- 3) Mission & Activities: Churches, schools, hospitals, housing providers, and foundations must use the long-form **1023**.

You can learn about the other prohibited nonprofit types in the IRS Eligibility Worksheet - available for download in the next section, and remember, if you mark “Yes” on any question, your organization is not eligible to file **1023-EZ**.

4) Preparation and Documentation: Depending which application you file, your organization must either affirm that it has taken certain actions and obtained (or it must attach) a series of documents prior to filing the IRS Application.

These include Articles of incorporation with appended purpose and dissolution clause, bylaws as approved by your Board of Directors, a conflict of interest policy, an EIN (or Tax ID Number), estimated budget/finances, and description of its mission and activities.

The IRS frequently verifies this information during its approval process.

Nonprofits are also required to perform and document decisions and activities, and keep records in its files regarding the following:

- Board Resolutions authorizing the activities and expenditures of the management & staff
- -
- Minutes of meetings of the Board of Directors
- Acknowledgement of the Conflict of Interest Policy and by laws

To save you time, avoid brain damage, and help jumpstart your nonprofit, we provide all of these documents for you as part of our **501(c)3** formation packages.

Form **1023-EZ**: What is it, and can you use it?

Form 1023-EZ (Rev. June 2014) Department of the Treasury Internal Revenue Service	Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code Do not enter Social Security numbers on this form as it will be made public. Information about Form 1023-EZ and its separate instructions is at www.irs.gov/form1023	OMB No. 1545-0056 <i>Note: If exempt status is approved, this application will be open for public inspection.</i>
<input type="checkbox"/> Check this box to attest that you have completed the Form 1023-EZ Eligibility Worksheet in the current instructions, are eligible to apply for exemption using Form 1023-EZ, and have read and understand the requirements to be exempt under section 501(c)(3).		
Part I Identification of Applicant		
1a Full Name of Organization		
b Address (number, street, and room/suite). If a P.O. box, see instructions.	c City	d State e Zip code + 4

In **2014**, due to pressure from Congress and the private sector over exceedingly long approval delays for **501c3** applications using the traditional “long form” **1023** Application for Tax Exempt Status (averaging **18** months or more) the IRS introduced the greatly simplified “Form **1023-EZ**”.

This new, streamlined process for obtaining **501(c)3** tax-exempt status was created for the most common types of moderate-budget nonprofit organizations.

In fact, about **85%** of our clients choose the **1023 EZ** due to lower cost, less complexity, and

quicker approval times.

If you are starting a nonprofit with a straightforward charitable purpose - one that doesn't appear on the list of prohibited types referenced here - and derives most of its revenues from donations and program-related activities, the **1023** EZ might be for you.

But maybe not.

Is the **1023**-EZ the best way to go for my **501(c)3** Application?

Some organizations that fit into the streamlined process may want to consider filing the more standard long-form IRS **1023** application as a wise alternative.

Nonprofits started by those with a bigger vision, who expect to bring in significant funding, or whom expect corporate donations as a significant part of their income stream, may find that some donors consider the EZ a short-cut for founders who don't take their organization seriously.

Established donors generally have a serious vetting process for considering providing big grants and gifts, often examining the original IRS **1023** filing, as part of its public record.

The Form **1023** EZ provides little information for grantmakers to rely upon to assess the present and future capacities of the organization, while the long form **1023** goes into great detail.

However, if startup costs and approval delays figure strongly in your decision, and your nonprofit doesn't plan to rely on large gifts and grants, the **1023** EZ may be the way to go.

Are you Eligible to Submit the **1023**-EZ?

Many nonprofits qualify to use Form **1023**-EZ, but the IRS defines a number of prohibitions as to the projected budget and mission & purpose of those seeking to travel this path.

"No-Penalty" Disclaimer:

You may be asking "What if I file the **1023** EZ with revenue expectations below **\$50K**, and then the Bill and Melinda Gates Foundation writes me a **\$1** Million Dollar check?"

First off, I certainly hope that happens for you!

In the event that it does, it's important to mention that there's no penalty or problem if you estimate lower and then exceed your expectations.

For example, if you estimate a low budget and you end up raising more than **\$50,000**, the IRS doesn't come back and penalize you - or even assess the extra **\$325** in IRS Filing Fees after the fact.

They just accept your best guess on a sort of "Scout's Honor".

Surprisingly, you'll simply file your annual **990** tax return by May **15** of the following year, and report how much funding you brought in.

This may be the most surprising fact about the IRS filing process...because the IRS is well-known for collecting money - mostly from people who make a "mistake" on their tax return, but in this situation, that is not the case.

Documents Required to be in Place to Apply for **501(c)3**: You must represent to the IRS that you have properly filed the following documents....and they will check.

1. Addendum to Articles of Incorporation – Statement of Exempt Purpose

This statement must be included in your Articles, and a copy of your Articles must accompany your application:

The Statement of Exempt Purpose tells the IRS that the organization exists to serve a truly charitable purpose.

2. As Addendum to Articles: Dissolution Clause

An organization's "dissolution clause" is put in place to assure the IRS (and anyone else who asks) that the public interest will be served should the organization shut its doors.

IRS rules **ONLY** allow assets to be turned over to another **501(c)3** or to the government - not to a private individual or company, unless the nonprofit is receiving proper compensation as an exchange.

IRS Form **1023** Purpose and Dissolution Policy Statement

IRS-Required 501c3 language for your Articles of Incorporation:

[**DOWNLOAD NOW**](#)

3. Bylaws, including Procedure for Selecting Directors/Trustees:

The IRS requires an affirmation that your nonprofit has adopted bylaws, which need to include the process your organization will use to select officers, directors, and/or trustees who have governing power over the organization.

As we mentioned in our article about your nonprofit's Founding Board, the organization's bylaws must include clear, solid procedures for selection of directors - and other provisions designed to allow a smooth transition of decision-making power in the event of a crisis.

4. Conflict of Interest Policy

A "Conflict of Interest Policy" is a document which describes an organization's protocol for situations where, if misconstrued or abused, "insiders" could be accused of using the organization for personal benefit.

Your "Conflict of Interest Policy" is the policy in place to prevent wrongdoing—or even the appearance of it—in your nonprofit organization.

For example, when a board member or officer has a personal or financial interest in anything being considered by the board of directors, that person must disclose the interest and refrain from the discussion and vote.

In addition, your meeting minutes must document the disclosure as well as the vote and reasoning for approval.

Having a good "Conflict of Interest Policy" is required for your nonprofit application to be approved.

When helping our clients, we provide a trove of all required documents - and a number which are not to help your organization run smoothly.

Conflict of Interest Policy and Compliance Form

IRS friendly conflict of interest policy and compliance form: [DOWNLOAD NOW](#)

Form 1023-EZ - Conclusion:

While this may seem like a significant list of prohibitions and conditions, a large percentage of **501(c)3** eligible organizations meet the criteria to use the Form **1023-EZ**.

Still confused about which path to take?

Find out if your organization qualifies for the the **1023 EZ** by downloading the eligibility quiz below.

1023 EZ Eligibility Checklist:

Determine Nonprofit Eligibility to File Form 1023-EZ: [DOWNLOAD NOW](#)

Regardless of which path you take to **501(c)3**, you can save weeks or months of work worry and unnecessary expense by taking advantage of our Instant Nonprofit Formation service!

Our Express **501(c)3** Formation package (**1023 EZ**) can be done in less than one hour of work, no legal fees or hidden costs, and you'll never deal with a government agent.

For organizations needing to submit the **1023** Long Form package, our proprietary process and presentation cuts IRS approval times by an average of more than **6 months**!

1023 “Long Form” Application Overview:



Photo **136687087** © Samorn Tarapan - Dreamstime.com

Organizations with assets of more than **\$250,000** or revenues over **\$50K** per year, or whose mission/purpose and activities are incompatible with the **1023-EZ**, must use the long-form **1023** Application process.

The IRS average for approving these files averages **4-6** times longer (**9-15** months as of late **2019**, versus **6** weeks for **1023-EZ**) to approve.

There are ways to cut the approval time down dramatically for the IRS Form **1023** Long Form process, but they are complex and require specialized help.

If you do NOT have a plan in place to generate over **\$50K** in your first three years of operation, and if you could possibly serve your mission at some level for less than **\$50,000**, we generally recommend taking the faster and less expensive path by using the **1023-EZ**.

Every year, thousands of long-form IRS Form **1023** Applications for Tax Exempt Status get mired down in the offices of faraway bureaucrats—not because the applicants violate any IRS rules or are poorly written, but because they omit key addenda and/or fail to submit the proper Schedules with the Form **1023** application package.

While we hope the information we provide here will help you navigate the process, this game is played on the IRS “home field” - and if you don’t play by their rules, you’re going to run into trouble.

Playing by IRS rules means being aware of the addenda (including the challenging “Narrative of Activities”) and Form **1023** Schedules the IRS will require you to submit.

Successful IRS Nonprofit **501(c)3** Applications aren’t “filled out.” They’re ASSEMBLED.

IRS guidelines for submitting a Form **1023**, (Application for Recognition of Exemption & part of your **501(c)3** application) include several requirements for language in formative documents and policy addenda to be included with your application.

If you miss these, you could be in for a long wait.

When the IRS examines your organization’s tax-exempt description, they don’t look only for a properly formatted **50-70+** page set of printed documents - they also look for certain buzzwords and language.

They want to see that you organized the entity exclusively for religious, charitable, scientific, literary, educational, or similar purposes - with the proper level of articulation around WHY (your mission) the WHAT (your activities) and the HOW (your operations).

The IRS also has an official duty to see that neither the operation of the nonprofit, nor the dissolution (if it fails to stay “in business”) will not unduly benefit any person or corporation. The legal term for this prohibited favor or benefit is “inurement”.

This means the organization has the burden of proving that it has been created to serve a charitable purpose.

Logic suggests that you should be able to include this information in the appropriate space on the actual application, right?

Wrong.

You’ll have to attach a series of separate addenda.

[CALLOUT: For the official IRS Instructions on Filing the **1023** long form, go here:
<https://www.irs.gov/pub/irs-pdf/i1023.pdf>]

Long Form 1023 - Addenda and Attachments:

There are six (6) types of addenda and/or attachments to your long-form **1023** to be included with your **501(c)3** application. The first four (4) are required for both the Streamlined **1023-EZ** and the Long Form **1023** - the last two (2) apply to only the latter:

1. Articles of Incorporation:

You'll need the approved and stamped articles from your state - not just a certificate of filing or receipt.

2. As Addendum to Articles: Statement of Exempt Purpose

This statement must be included in your Articles, and a copy of your Articles must accompany your application

The Statement of Exempt Purpose tells the IRS that the organization exists to serve a truly charitable purpose.

To avoid the need to file amended Articles with the Secretary of State you'll need to append an "exempt purpose" statement for a typical nonprofit corporation.

3. As Addendum to Articles: Dissolution Clause

This is included when organizations are set up in a way that assures they won't be operated for the benefit of any one person or group of people.

An organization's "dissolution clause" is put in place to assure the IRS (and anyone else who asks) that the public interest will be served should the organization shut its doors.

IRS rules allow assets to be turned over to another **501(c)3** or to the government.

IRS Form 1023 Purpose and Dissolution Policy Statement:

IRS- required 501(c)3 language for your Articles of Incorporation: [DOWNLOAD NOW](#)

4. Bylaws, including Procedure for Selecting Directors/Trustees:

Most nonprofit corporations created with the intent of filing for Tax-Exempt status with the IRS address selection of directors in their bylaws.

If not, the IRS requires a separate disclosure of the method your nonprofit will use to select officers, directors, and/or trustees who have governing power over the organization.

For purposes of your **1023** Application, you may also use the following language as an addendum to satisfy the IRS agent's need to understand your process for selecting those with governing power:

"Directors: Number, Selection, and Tenure. The Board shall consist of not less than [insert odd number above three] directors. Each director shall hold office for a term of [insert number] years. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of his/her term shall be filled by a majority vote of the remaining directors. In the event of a tie vote, the President shall choose the succeeding director. Successors shall be elected by the remaining and outgoing directors. A director elected to fill a vacancy shall be elected for the unexpired term of that director's predecessor in office, or a term declared by the voting body."

5. Required Addendum: "Conflict of Interest Policy"

A "Conflict of Interest Policy" is a document which describes an organization's protocol for situations where, if misconstrued or abused, "insiders" could be accused of using the organization for personal benefit.

The IRS wants to help nonprofit organizations avoid, in their own words, "the appearance of impropriety" as well as any real private benefit to the organization's board members, officers or managers that does not serve the nonprofit's reason for being.

Your "Conflict of Interest Policy" is where you'll show the IRS that you have procedures in place to prevent wrongdoing—or even the appearance of it—in your nonprofit organization.

For example, when a board member or officer has a personal or financial interest in anything being considered by the board of directors, that person must disclose the interest and refrain from the discussion and vote.

In addition, your meeting minutes must document the disclosure as well as the vote and reasoning for approval.

Having a good "Conflict of Interest Policy" and an active process to implement and document it will help your nonprofit application breeze through to a speedy approval.

When helping our clients, we provide a "secret weapons" that goes beyond a mere policy—sample forms that can be used to prove they are actually complying with their self-imposed set of rules

Conflict of Interest Policy and Compliance Form:

IRS friendly conflict of interest policy and compliance form: [DOWNLOAD NOW](#)

6. Required Addendum: “Narrative of Activities”

Your “Narrative of Activities” provides a brief description of the problem your nonprofit addresses and the steps you will take to solve it.

This is the place to explain your implementation strategy:

A series of specific methods by which you intend to fulfill your mission - either bulleted or simply in paragraph form - and a description of the people, time frame, and location(s) in which you will perform your activities.

Remember what is true of selling a product or testifying in court is true here: Give just enough information—but not too much.

Your primary goal, as we will repeat throughout this training, is to allow the IRS agent to check off the list of items he or she needs to stamp your application “APPROVED” while not raising any IRS Red Flags™.

Avoid mentioning activities that refer to a purpose that is prohibited (I’ll expound on this later.)

For example, directly or indirectly supporting or opposing candidates for public office is prohibited; therefore do not include “political campaign mailings” in your activities.

Unless you have things to explain in further detail (such as a scholarship program that is distinct from your main activities), we like to see two pages maximum explaining your “Narrative of Activities.”

[CALLOUT: IRS agents are human, so try not to anger, bore, confuse or frustrate them! Keep it Short, Sweet, and Simple!]

7. Required Addendum: Any and All Schedules that may apply

The vast majority of **501(c)3** groups require no schedules, and of those that do, the most common are Schedules A, B, H, and occasionally E.

To cover all bases, we’ve listed other categories below, which are used less often.

If You’re a...then...

- Church...include Schedule A

- College or University...include Schedule B
- Hospital or Medical Research Organization...include Schedule C
- Section **509(a)(3)** Supporting Organization...include Schedule D
- Home for the Elderly or Handicapped...include Schedule F
- Low Income Housing Organization...include Schedule F
- The successor to a For-Profit Entity/Company...include Schedule G

Questions can arise here, so If you'd like to discuss your options, you're welcome to book a complimentary consult call with one of our nonprofit specialists [here](#) and grab some piece of mind.

IRS Form **1023** Required Schedules:

Find out which schedules are required for your nonprofit: [DOWNLOAD NOW](#)

How To Open Your Nonprofit Bank Account

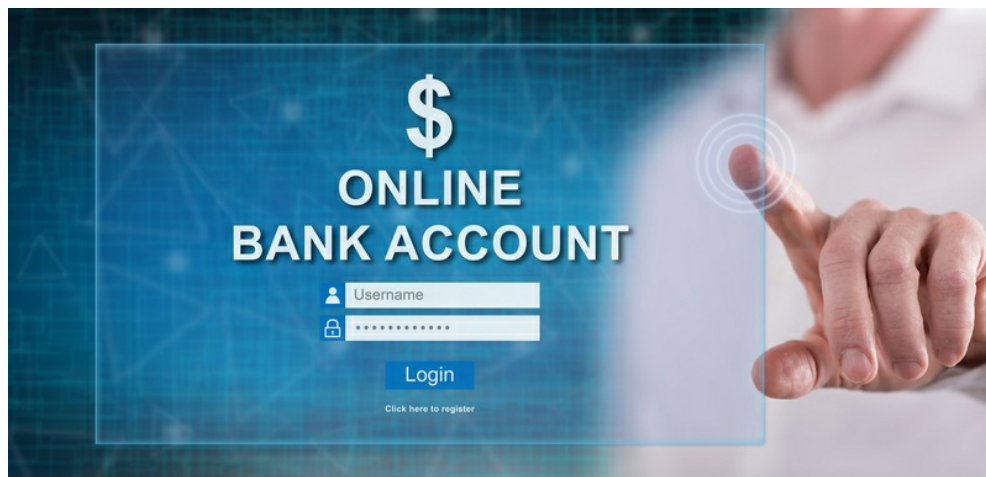


Photo **133597985** © Thodonal - Dreamstime.com

Nothing makes launching your own nonprofit organization feel quite as “real” as opening a bank account for your new nonprofit!

It says “We’re officially in business!”—which is why you actually DO need to be “in business” to get an account open.

From a legal and banking standpoint, you’re “in business” once you have Articles of Incorporation as a nonprofit corporation in your State, obtain an EIN (or “Tax ID number”) from the IRS, and authorize someone inside (or outside) your organization to manage banking on a day-to-day basis.

Your organization's **501(c)3** tax status should not be a factor or a limitation in opening an account.

We recommend using a national bank with online banking, and a good smartphone app for making deposits and managing your account, and it's always a good idea to call your bank ahead of time to confirm their requirements.

Besides your personal identification, you need to be armed with four documents to make this happen with only a single trip to the bank:

WARNING:As exciting as it is to open a bank account for your nonprofit, you must walk into the bank forewarned and prepared. Bank workers handle **501(c)3** nonprofits very infrequently, and they tend to request an abundance of paperwork due to post-9/11 mandates.

Documents the banker will need in order to open your bank account:

-
- A copy of your Articles of Incorporation
 - A copy of your EIN Letter
 - An executed Banking Resolution authorizing you to conduct banking A
 - copy of your Bylaws (if requested)

Documents the banker does NOT need to open your bank account:

- A copy of your **1023** application
- Your IRS Determination Letter (approval letter) - although this is nice to have!
- A statement from your Incorporator (for example our company is the Incorporator, when hired to create the organization. The Incorporator, by definition, does not have a continuing or decision-making position with the organization)

Should the banker request anything from the latter list, politely ask for the manager, and let them know you were prepared for this by showing them this definition excerpted from USLegal.com:

"An incorporator is a person who is in charge of setting up a corporation.

The incorporator files the Articles of Incorporation with the state in which the corporation is registering and files any other corporate documents needed until the corporation is formally registered and recognized by the state.

An incorporator can be an attorney. The person designated as the incorporator is listed on the Articles of Incorporation and s/he will be contacted by the state, if needed. Once the corporation is registered with the state, then there will be no formal duties for an incorporator."

Download the Board Resolution below and arm yourself with the information about dealing with bank employees, and you're all set to open your nonprofit bank account!

How to Write a Powerful One-Sentence Nonprofit Mission Statement:



A video grab of *Starman* in the Tesla Roadster in space.

So often I'll meet a passionate social entrepreneur who, when given the chance, just runs on and on about their ideas, their mission, and their dreams.

You've likely seen this type of person, or maybe you have even done this...I know I have!

Too often the excited nonprofit founder totally overwhelms - or bores - the listener, who just a few minutes ago was interested to hear a bit more about the new nonprofit. Soon, though, he or she is nervously scanning the room for the nearest exit, and shuffles away with a polite excuse.

It's great to be excited about your new venture, so it's tempting to rattle on and on to anyone who will listen – but this serves neither you, nor the listener.

There's nothing more powerful than equipping yourself, your founding Board, and your staff and fans with a remarkable “elevator pitch” styled one-sentence nonprofit mission statement.

Your one-sentence mission statement should act like a magnet – irresistible to anyone who might be interested in promoting or supporting your organization (or knows someone who can).

The benefits of a very short version of your compelling nonprofit mission statement are many, including:

- It is required to get **501(c)3** status, as the IRS looks for mission statements that match their requirements.
- It is crucial in our busy age, to attract quality supporters and staff without wasting time or attention span
- It is your single most powerful public relations marketing and branding tool

Admittedly, the rule generally is, the shorter it is, the harder it is to write.

My favorite Mark Twain quote goes something like this: “I sat down to write a short letter, but I didn’t have time - so I wrote a long one instead.”

Writing a one-sentence mission statement can be tough, but the results can provide a powerful foundation from which your nonprofit organization operates. Never cut corners when it comes to your one-sentence nonprofit mission statement. It’s well worth the time and energy you spend on it.

Even if your organization has a mission so important that it seems the world may stop spinning without it, you probably won’t get very far with the IRS if you can’t communicate your intentions to their satisfaction.

When it’s time to tackle your **1023** application, the IRS requires a clear understanding of the elements at play.

They want to quickly see the social problem you want to solve and the tangible solutions you will offer...in **250** characters or less, hence our “One Sentence Mission Statement” training.

Maybe you dread dealing with the IRS as much as most people do. It’s exactly the kind of unproductive, draining process that makes you daydream longingly about your last root canal.

But the IRS Exempt Organizations department is staffed with human beings, most of whom just want to do their job.

Instead of complaining about government bureaucracy, we should ask:

“What do folks *inside the IRS* want to see to be able to stamp my file ‘APPROVED’?”

Think about it in these terms:

Imagine you are a bank loan officer and someone comes into your office looking for a **\$50,000** business note.

He or she may look the part, and may convey genuine passion about what the organization will do.

But, when you ask about the goals of his operation, things get foggy and his answer leaves you confused - will you open the vault and hand over stacks of cash, based only on the idea that he *cares*? _____

Not likely.

Applying for nonprofit status without being able to explain your mission - in as few words as possible - works along those same lines.

If you can't clearly articulate your nonprofit mission statement, it can be a **501(c)3** application killer.

But if you "nail it" the benefits run far and wide!

It also serves as your "elevator pitch" - a term made popular by such shows as "Shark Tank" because entrepreneurs may need to get their idea across to someone important, whom they just met on an elevator!

Put it this way: Every person you meet is a potential investor, donor, or volunteer. The more productive, or connected, or wealthy the person is, the less time they have to spend with anyone who is "beating around the bush."

People who fit the profile of "successful" also tend to have IMMENSE respect for those who prepare ahead, respect their time, and are "ready for anything."

Therefore, your "One-Sentence Mission Statement" IS your elevator pitch - it says a LOT about you as a person, and also conveys the essence of the "WHY", the "WHAT", and the "HOW" of your organization in just a few seconds.

That's why having your one-sentence mission statement at the ready, right here at the tip of your tongue, will help you to automatically attract the right people to your cause, and conversely you'll be able to tell right away if these are your people.

This segment will help you generate ideas that will form your mission statement and boil them down into one sentence.

You don't have to be a professional writer to do this.

Just set aside some time and ask yourself the following questions about your organization:

- What *problems* will my nonprofit attempt to solve?
- What *specific solutions* will my nonprofit offer?
- What *tangible results* can be expected if these are implemented?

They're penetrating questions, for sure.

But that's the idea.

Take the elements of those questions and ask yourself how they can be expressed in *one sentence*.

How to Write Your One-Sentence Nonprofit Mission Statement

We're going to take your brilliant ideas from the previous questions and apply them to a simple formula that spins the dynamic, so that anyone who is remotely interested in what you're doing can't help but say, "Wow, that's pretty amazing! How do you do that?"

You've then earned interest, trust, and the right to tell them a little more.

When given the opportunity to tell a person or group about your organization for the first time, use the following one -sentence nonprofit mission statement formula:

"We help _____ (the community you serve) by providing _____(your nonprofit's general activity or service) so they experience _____(the result you aim to achieve)."

Want to go big and cast the vision about why this is important?

Just add...

"so that _____ (describe how the world will look different)".

It's a must to start honing this key arrow in your quiver – because it is crucial to get enough information across so that the person you are talking to can make that all-important subconscious decision...

Is this an organization I might want to get involved with?

Instead of the person trying to figure out how to politely extract themselves from the conversation, this will prompt those who are aligned with you to be the ones asking for more information.

Your next step is to have everyone involved with your organization commit your One-Sentence Mission Statement to memory, so when they go out in life and engage in conversation, they're like your Brand Ambassadors, helping to share your great work.

Write it on the back of a business card or better yet, write it on several post-its and put one on your bathroom mirror where you get ready in the morning, stick one in the car, or make it the home screen on your iPhone.

You get the idea.

This will help you keep from stumbling on and on when the opportunity arises to tell someone about your organization.

Also, they'll give you body language cues as to whether they are interested to hear your entire elevator pitch - don't force it!

And if they simply don't have time, but are interested, you'll walk away with a business card – and a confident first impression.

So, let's get started! Download your one-sentence mission statement below.

One-Sentence Mission Statement: [DOWNLOAD HERE](#)



ID 78548023 © Rawpixelimages | Dreamstime.com

A business plan is just as important for a nonprofit organization as it is for any for-profit-making company.

Not only will your business plan guide your growth, but you'll also quickly discover that investors, donors, and board members will ask to see copies of your business plan, and if you don't have one, you could miss out on great opportunities.

Your business plan describes your nonprofit as it currently exists and sets up a road map for the next three to five years.

It lays out your goals, challenges, and plans for meeting those goals.

It's a living document that should be updated frequently as your nonprofit expands.

When starting your nonprofit, it's best to keep things simple and concise so you can move quickly and get things done.

Many organizations have difficulty building their business plan, as parts of the nonprofit world are known for strategic planning processes that can be brain-numbingly complex and ineffective.

They can also be time-consuming and expensive, providing little to no return on investment for both donors and the organization itself.

But, what if you captured your nonprofit business plan on just one piece of paper?

Imagine one simple document that was easy to understand, easy to communicate, and actionable.

The key to planning – and executing – is simplicity. And the key to simplicity is focus.

Enter Jim Horan, the author of the book “The One Page Nonprofit Business Plan for Nonprofit Organizations”.

Horan’s book links vision to strategy, strategy to execution, and execution to results.

Its focus on simple strategic planning also forces a team to focus and prioritize, greasing the wheels of implementation.

To give you an idea of Jim Horan and his approach, here’s an excerpt from the book:

“If your nonprofit is struggling with its planning process...it is highly likely you have made too big of a project out of it...instead of documenting everything you know about your organization and all the decisions have already been made...get focused on the issues and opportunities that have the potential to move your organization forward...and monitor progress and results religiously.”

With the One Page Nonprofit Business Plan, you can say goodbye to complex language and processes and easily write a draft plan on a single page in less than two hours.

Not only is it fast, but this plan is also widely recognized for using relevant, actionable terms and language that help your board of directors, management, staff and volunteers clearly define and execute on their goals throughout multiple levels of the organization.

What is the One Page Nonprofit Business Plan?

The One Page Nonprofit Business Plan ([book link here](#)) is an innovative approach to business planning that captures the essence of any organization, project, or program on a single page using keywords and short phrases.

Most nonprofits use this process to create not only the organization’s overall plan, but to create a plan for each supporting department, project, and program.

The flexible methodology and standard format make it simple for managers and teams to each have a plan and be able to review and understand each other’s plans.

The One Page Nonprofit Business Plan works because:

- Plans get documented
- Plans are understandable
- Plans are easy to write and update

- Every manager and team member is working from the same playbook

This process creates:

- Alignment
- Accountability
- Results

There are many ways to use a One Page Nonprofit Business Plan

One of the biggest advantages of this plan is that it can be used effectively for multiple things, so you can use one effective resource to plan the priorities of your entire nonprofit organization.

Here are a few examples:

1. Annual Planning process
 1. Complete plan for small nonprofits and an executive summary for large organizations
 2. Project and program development
 3. Framework for compensation systems
2. External Presentations
 1. Fund development
 2. Volunteer recruitment
 3. Strategic alliance development
3. Research and Development
 1. Initial draft for new programs
 2. Proforma for mergers and acquisitions
 3. Framework for potential expansion
4. Process & Performance Management
 1. Clear structure for measuring outcomes
 2. Benchmark to measure progress against priorities
 3. Improve cross-functional communication

Take advantage of clear, actionable business terminology

You may have noticed that depending on where you're from, what companies or organizations you've worked for, or maybe even what school you went to that you have a certain business terminology, which may not be the same as other people's.

To test this, Google the terms vision, mission, objectives, strategies, or business plans and see what you get back.

It's likely you'll have an entire slew of opinions as to what these all mean.

The varied definitions and ideas on how to go about creating them inevitably create conflict, confusion and barriers to even getting started on your business plan let along executing on it.

The One Page Nonprofit Business Plan solves this problem by translating these standard business plan elements into simple and universal questions:

1. Vision – What are you building?
2. Mission – Why does this nonprofit exist?
3. Objectives – What results will you measure?
4. Strategies – How will you build this nonprofit?
5. Plans -What is the work to be done?

This simplification takes the guesswork out and allows your teams to create clear, concise plans that they can execute on.

Simply put, a One Page Nonprofit Business Plan is an incredibly effective tool for teams and organizations to achieve results, because it can help rally donors, staff and other stakeholders around the organization's core values and initiatives.

Thousands of nonprofits have successfully written and implemented One Page Plans with this simple and effective planning methodology.

One-Page Nonprofit Business Plan: [DOWNLOAD NOW](#)

How to Build a Website for Your Nonprofit



Building a strong website for your nonprofit is critical for your growth, but it doesn't have to be complex or expensive.

Between beautifully designed website templates, drag and drop technology, and plenty of industry leaders to model, you can have a great website up quicker than you may think.

There are two main components of building a website that you should take into consideration to save time, money, and to build the most effective website you can.

They are:

1. Selecting the right website platform
2. Create a site with content that attracts donors and support systems.

We're going to explore both by breaking out our top **6** website platforms in **2019**, and then defining the important parts of a nonprofit website to attract donors.

The Top **6** Nonprofit Website Solutions in **2019** (with tutorials)

While there are countless options and information available on how to build a website, here's the quick-and-dirty on the Top **6** Nonprofit Website Solutions in **2019** (and a tutorial for each):

1. WordPress - www.wordpress.com (they host) or www.wordpress.org (you host)

More than **74** Million sites rely on the WordPress platform, which equals about **1/5** of the entire World Wide Web. WordPress is considered the world's favorite website solution.

Around **50%** of these are served from the free WordPress.com hosting platform – as opposed to WordPress.org, which provides the tools for sites hosted by your favorite provider.

One major reason for its popularity is that WordPress wisely built an open platform that encourages everyone and anyone to build compatible tools, plugins, etc.

As a result, there are now hundreds of thousands of enthusiastic developers working to enhance its capabilities beyond anything the original WordPress team could have envisioned.

WordPress is such a powerful platform & has so many features, that most web designers & developers love to use it.

In a nutshell, WordPress is the industry standard for a robust website building platform.

Unfortunately, while anyone who can turn on a computer probably can learn to build a basic site with WordPress, the learning curve is steeper than the others.

Click [here](#) for a great video tutorial for learning WordPress.

2. Squarespace - www.squarespace.com

A powerful and visually stunning solution (with a done-for-you option)

is well known for beautiful graphics, look and feel, which matters more all the time in this world of professional, graphically appealing websites in demand.

Squarespace has a lot of great website templates for businesses, artists, bloggers and...
NONPROFITS!

Squarespace offers a **2** week free trial but you'll likely need to upgrade to one of their reasonable paid plans.

Squarespace also has a great community knowledge base where you can ask questions and get help on how to use their website builder.

Watch this video series on how to get started with Squarespace.

3. Wix - www.wix.com

Wix has come a long way since its early days of more limited capabilities, and is now one of the largest website builders with over **100** million users worldwide, and is one of the easiest website building systems in existence.

Wix is limited to around has good quality designs with over **70** different categories to choose from.

Their WYSIWYG (geek shorthand for "what-you-see-is-what-you-get" - pronounced "wizzywig") site builder is intuitive and makes it easy to customize your website.

Wix is great for beginners who want the fast path to their own website.

You can start Wix for free, but will most likely need to upgrade to their paid plans which range from a little over **\$4** to almost **\$25/mo**, all of which you can check out at www.wix.com

For a quick tutorial, check out this video

4. Weebly - www.Weebly.com

Weebly, like Wix, started out as a too-simple, cheap website builder with limited visual appeal, and also like Wix, has immensely stepped up its game. Now, it produces a very attractive end product, with one of the easiest website builders on the market.

Customers can quickly make a professional looking website with their intuitive site builder and templates. Weebly offers eCommerce plans for businesses and is a popular choice for those who want an online store.

Their business plan is **\$25** per month at the time this article is being published, but does offer everything you need to setup a professional online store.

They also offer a large selection of template designs (themes) and all the functions your website will need.

Check out www.Weebly.com for a range of plans & pricing to fit your needs.

Click here for a quick video tutorial

5. Jimdo - www.Jimdo.com

Overall, [Jimdo](http://www.Jimdo.com) is an easy to use, e-commerce oriented website builder, and can be a very good platform for nonprofits who do not want to shell out a lot of cash for a custom website.

It's easy to use, their customer service and community forum is solid, and their support comes in **8** languages.

While it's less popular than some others, Jimdo's free platform (JimdoFree) provides you enough tools to build a very functional website.

There is absolutely no pressure to upgrade to the paid platform (JimdoPro and JimdoBusiness) and you can remain a free user indefinitely.

For a video tutorial, [check out this video](#).

6. BigShifter - www.BigShifter.com

[BigShifter](http://www.BigShifter.com) is the the "Done-For-You" option specializing in nonprofits.

If you want to get a gorgeous "Done-For-You" website up fast and easily instead of learning how to do it yourself through any of these builders, and work with a Nonprofit-ONLY website company we recommend a very affordable option with the folks at [BigShifter](http://www.BigShifter.com).

[BigShifter](http://www.BigShifter.com) uses the [Squarespace](http://www.Squarespace.com) platform, which means the sites are visually gorgeous and have all the functions one could want in an inexpensive done-for-you site.

Check out BigShifter.com's plans and portfolio here.

In our experience, choosing a website platform comes down to making sure it offers the functionality you want, you like the look and feel, and most importantly - you feel confident and comfortable working in it.

OKAY - ALL SET ON YOUR WEBSITE?

Now that you've selected your website platform, let's discuss how to build it out so you can attract the support you need.

What Donors Want to See on Your Site

Building a website with a keen understanding of what donors want is important for building your online donations.

In fact, if you do this right, your website can play a major role in growing your organization for you.

Overall, potential donors want to see three main things:

1. Your mission - This should be the first thing people see when they land on your site as it allows you to immediately connect with donors by telling state why you exist and why they should support you.

This is exactly where you would put your One Sentence Mission Statement which we discussed earlier in this series.

You must then simply describe what you do and how you do it in a specific, simple manner so you can connect with your audience.

Your site also be easy for visitors to access, so they don't waste any time, and lose interest before finding the "gold" they are looking for. This means that you want this information up-front-and-center, and not buried under multiple tabs or drop-downs.

2. Disclose how donations are being used - Donors need to feel confident and comfortable about where their donations are going.

Transparency and details are important here, and by breaking down the specific information of what happens to a donation you can build trust, strengthen and expand relationships and increase donations.

3. Make it easy to donate - Nothing is more frustrating than complicated processes. Have you ever been through a complicated purchase process - where you may have even become so frustrated that you "ditched" the checkout and saved your money?

If so, then you know how this feels and you definitely do not want your donors to have this experience.

When donors are ready to give, they want to donate quickly and easily.

You must provide a clear “call to action” (CTA) button on each page of your site with simple phrases like “DONATE” or “DONATE NOW” with an instant online payment option that is simple and intuitive.

Now, don’t let that overwhelm you. In our “Top 6 Website Platforms” article, we discussed earlier all have these payment pages built in so you can easily add and customize.

The Most Important Pages on Your Nonprofit Website

Now that you know what your donors want, it’s time to build out the most important website pages for them to access.

Below are the six pages you should get started with, and most of the website platforms we discussed earlier will guide you through these as well.

Keep in mind, these are the tried and true starter foundational pages and you can customize how you see fit in the future.

1. Homepage - this is where your mission will live and you can use your One Sentence Mission Statement as we discussed earlier.

This is the first page potential donors will see, so clear statements about what you do, why, and how you do it are important.

You would also want to include your DONATE buttons, along with pictures or content related to your activities.

2. About Us - Your mission and vision will live here along with your story about why you are doing this work.

Your story is incredibly important and is what truly fosters human connection, so don’t hold back on expressing yourself.

In fact, this same story is what you should use in your future marketing efforts as it acts as a magnet to attract the right people and donors to your organization.

This page is also where you can have fun highlighting your staff profiles, showing how great they are, and highlighting their stories as well.

3. Donate - This page is where you will disclose in detail what donors need to know about how their donations are being used and any other important information that will make them feel confident and comfortable supporting you.

You must also include your “DONATE” buttons and simple online check out forms.

4. Events - This is a great way to showcase your upcoming events to garner volunteer registrations and donations.

It’s also a great opportunity to highlight your programs and activities so that donors can see your work in action and know that you “walk the talk”.

5. Blog - This is where you can create content to be a “thought leader” in your space that educates, engages, and elicits action from your readers.

When you add value you here, you will fuel more donations, build your support system and grow your organization.

You may also choose to get email subscribers with you blog by offering them your free, valuable content, providing the opportunity to build relationships and expand your donor base.

6. Contact - This page is exactly what it says - it’s where you’ll provide your contact information for people to connect with you.

You can list your social media handles, office address (if necessary), email, phone number, and even add a messaging function that allows visitors to send you a note.

Now that you’ve got your website set up, lets learn how to drive traffic to it by setting up your social media accounts.

How to set up Social Media for Your Nonprofit



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Once your website is set up, the next step is to setup your social media channels to increase awareness and start driving people to your website.

With the rise of our digital culture, social media, can become overwhelming quickly.

But, don't strain your brain – YouTube, Twitter , Instagram & Facebook are the main channels to work with.

Keep in mind, it's better to become strong in one or a few of these channels, than it is to dilute your efforts across too many.

Therefore, you might select just a few of these, or maybe even one channel to start, depending on what type of an organization you are and where you think your audience spends their time.

It's best to keep your audience in mind and focus on how you're going to add value to them as opposed to diluting your efforts with mediocre content trying to be on every social media channel all the time.

One of the best posts we've seen on exactly how to set up your social media accounts and profiles is by Hootsuite,

Hootsuite is an awesome, social media management tool as it allows you to post and manage all of your social media accounts in one place.

Please see a post excerpt from Hootsuite below, and a link to the full article:

“Setting up social media profiles on Twitter, Facebook or any other social network can be a lot of work.

And if you’re starting from scratch, it feels like a big impediment to overcome before using a new tool.

We need to choose a photo or fill out a bio when all we want to do is start sharing content and engaging with friends.

Your social media profile is a window into your personality, your job, your interests—sure, but, if done correctly, it can be so much more than that. It can drive people to your website or other online assets; it can promote some of your best content; and it can lead to new clients and sales.

When you reach out to a new contact or prospect, the first thing they’re going to do is look you up online.

Your profile needs to be both impressive and discoverable.

With so much potential value in each social media profile, it’s worth investing the time and effort required to set them up properly. (Or, if you’ve neglected yours for an extended period of time, it can be just as important to give it a complete overhaul.)

Here’s our complete guide on how to social media profiles.

Your website and social media activity will not only grow your support system, but they also act as credibility tools for potential donors.

Think about it.

What’s the first thing you do when you meet a new person or business?

Most of the time, we immediately head to their website or social media pages to get an idea as to who they are.

Now that you’ve created your online presence, it’s the perfect time to start reaching out to donors for support, so our next step is to teach you how to raise your first **\$12K** by phone in the next section.

How to Raise Your First **\$12,000** to **\$100,000** by Phone



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Introduction to Fundraising - Mindset and Philosophy

Ultimately, fundraising is all about communication.

You don't want to force anyone to give - your target is to frame your cause in a way that helps your prospect find an alignment and meaning in it, that is of higher value than the money in their pocket.

Perhaps you've heard of Maslow's Hierarchy.

Here's a graphic of that model. Maslow revealed that people start at the base level labeled "Physiological" - covering their most basic needs - and once those are satisfied, the innate human desire is to move up to the next level.



This is why, once someone has more than what they need for food, shelter and clothing they get a hunger to experience “more” - even if they don’t know what that is, or why.

One of the most frustrating things about poverty is the lack of opportunity for people manifest their potential, because they are too busy surviving.

In contrast, think about those people who experience the greatest admiration and respect for themselves and from others - most have reached the two upper levels of Maslow’s Hierarchy...and YOU are on your way up as well!

Fundraising as a Path to Inviting People to Realize Their Greater Potential

At the top of the resource food chain, Maslow’s Hierarchy explains why wealthy people, once they have built their empire, helped their family, got the cars and the homes etc., get bored.

Humans are unable to “do nothing” - we see examples every day.

Many of the world’s most outwardly “successful” individuals don’t just sit on an island, sipping fruity cocktails - they often speak of “giving back”, and do things such as starting a foundation, or embark on some grand mission that redefines the latter part of their life.

Tragically, the search for meaning to life, or “self-realization/self-actualization” - which simply means fulfillment of the reason we were created - often leads people with significant resources but no direction into a life of drugs or other highways to self-destruction, instead of contribution.

Your job, as a fundraiser, is to introduce your cause, your mission, as a welcome way for the donor to add meaning to their lives - to feel they are a part of something important that they can feel great about, no matter the condition of their job, their business, their marriage or their health.

You Never Know Whose Life You're Helping Save - Aside from your "Cause"

I recently heard someone say "I adopted my dog from the local rescue shelter - but I'm not sure who rescued who!!!"

This speaks to the transformative power of giving - those who "give" often end up receiving a gift they never expected!

Whether you ever know it or not - your action here may in fact save someone's life, by waking them up to a higher state of being in this world, by giving them something that rekindles their belief in themselves or humankind.

I can't think of a higher calling than waking people up and offering them hope and an opportunity to do something really big with their lives.

Fundraising Phase 1: The Fastest Path to Cash for your New Nonprofit

Want to raise fast cash for your new nonprofit? Here's a simple, proven way to get the most money for the least effort – hands down.

When you're starting out, the lowest-effort/highest-yield activity is ...(drum roll please)...take a guess...

- in-person?
- email?
- social media?
- direct mail?
- events?

Drum roll, please! The answer is....**none of the above.**

It's that little device that you may be VERY familiar with - your phone. Surprisingly though, we're not talking about any of the incredible technology capacities of the latest and greatest gadget...this is about dialing phone numbers on your "smartphone"...

...or desk phone, or...standard-issue **1970's** model...LAND LINE.

The fact is, instead of doing comfy things that let you “off the hook” for real-time human interaction - like texting or emailing - you need to actually use your phone for...get this...

...calling people!

How quaint.

But why?

There’s an easy principle you can apply to any relationship dynamics, regardless of raising money or just being a good family member or neighbor.

When it comes to communication method:

KEY PRINCIPLE: More personal (phone, in person) outperforms less personal (email, text, broadcast)

I’ll admit, making phone calls can be downright uncomfortable.

You may have to get out of your comfort zone to become an effective fundraiser, and this post should help you get the “escape velocity” you need to do that.

People have also become sensitized to calls bad phone etiquette: Automated calls, pushy cold-callers who don’t shut up, dinnertime interruptions, and just plain disrespect.

Therein lies another opportunity.

You’re about to stand out as one of the “better people” whom your donor prospects will encounter - they will appreciate that and it will lead to better “rapport”.

Rapport is best described as those initial “good feelings” that generally either show up in the first few seconds of a conversation - or not at all.

The two phases of fundraising are:

Phase 1) Preparation

Phase 2) Execution

NOTE: I don’t recommend you skimp on Phase 1 - to paraphrase Ben Franklin, “An ounce of preparation is worth a pound of fixing it later.”

For Phase 1, we’ll cover the easy-to-remember acrostic I use to teach Preparation for fundraising - “F.U.N.D.S”:

- FEAR: Confront and overcome it. In short, you’re trying to change the world and don’t

have time to waste. You need to understand:

- Most people are looking for more meaning in their lives (and aren't able to do as much as they would like in their current job, or are too busy)
- Many spend money on things they don't need, and get less satisfaction than they would get out of knowing they helped save a child or animal
- People will gauge your belief in your cause (and key their belief as well) based upon YOUR willingness to ask for money.
- **Use Of Funds:** The Problem, the Solution and Your Unique Approach. Simply make a list of the things you'd like to accomplish over the next **60 to 90** days, and tie that to the longer-term vision.
- **Number:** How much hard cash in the bank do you want to have at the end of this campaign? Base this on the list you made above.

Diversion: Set out three (3) little rewards for yourself:

- One for the first call and "ask" you complete (maybe a cookie or a special coffee drink!)
- One for your first pledge of support
- One for completing your target number of calls

Don't skimp on this - "gamifying" this process actually works!

SPACE: High-traffic areas at home or work where you can be distracted (by pets, children, bills on the refrigerator etc.) can too easily provide excuses to "do it tomorrow."

Set up a quiet dedicated place and a time that will be free of interruption, even if it's just a little chair and desk in the corner of your bedroom, or one side of your clothes closet!

**In fact, a walk-in closet can also provide an excellent way to dampen background noise!*

Phase 2) Now that you're prepared, here are the **10 Steps to Raising Nonprofit Seed Funding by Phone**

Step 1: Build your "house file" - A "house file" is just a fancy word for supporter list. First, "brain dump" your list of names.

Get a piece of paper, or create a spreadsheet and make a list of names, starting with:

Your friends

- Your friends' parents
- Your parents
- Your parents' friends
- Aunts, uncles, grandparents

- Current and former employers
- Scout or sports team leaders
- Civic group or church members
- Local leaders, teachers and anyone who has mentored you
- ...Or anyone else you can think of who might have more than zero dollars in their bank account.

Once you exhaust this list, start building outward by asking your supporters to introduce you or provide you a few names, and watch your network grow exponentially!

IMPORTANT: Do not avoid people based upon your perception of their interest in supporting your particular cause. Remember, the reason they give is not always because of your cause, but because it's you. These people are your "prospects".

Step 2: Contact Information

Look up the contact information for your House File and create your list ahead of time. Don't rush this!

You will likely need to access different sources for different types of people on your list.

For example, you may need to obtain extended family addresses from your Mom (I did!), or pull out a printed Homeowners Association list to confirm your neighbors' addresses.

Doing this as a dedicated mini-project will allow you to come up with a bigger list, with more complete information.

Step 3: Determine a Dollar Amount for Each Prospect

Granted, everyone lives at a different level when it comes to income. Some people live on a somewhat hand-to-mouth budget, but can still easily afford **\$50** or **\$100**.

Others make a decent pay rate, have some savings or a **401k** socked away, and might - just might - be willing to commit **\$500** or **\$1000**.

Those who have been blessed by family or who worked hard in the right business and are retired (or still working because they like to be productive) - and are using their capital to generate wealth - can afford **\$5,000**, even **\$10,000** on up to six figures.

The question you need to ask yourself is: What do you believe the person could possibly give, under the ideal circumstances, if:

1. You caught them on their best day, when they were feeling extremely generous
2. They found themselves aligned with your mission; and
3. You presented them with an enthusiastic, well-organized compelling vision for the

future and the role they could play in it

Close your eyes, and write a number down.

Remember, it's just a number.

Now take that number and double it. Yes, double it. Write down twice as much as you believe that person can reasonably give.

That number is your "ask" amount.

If you're having a hard time coming up with an amount, estimate how much you think they spend going out to dinner in a given month, or speculate about their car payment and multiply that number by three.

Donor "House File" Spreadsheet | Create/manage your "Donor Database." [DOWNLOAD NOW](#)

Step 4: Write your first fundraising "script"

Your fundraising "phone script" is an essential element of any fundraising effort involving personal interaction.

Just as every word in a written letter or fundraising appeal is carefully chosen, you don't want to "wing it" and rely on personal charisma or passion alone.

There are many reasons - not everyone is charismatic, and many who are can come off in a way that repels as much money as they attract!

Passion, meanwhile, often leads founders astray - because it's easy to lose sight that fundraising is about the person on the other side of the table, more than about you and your nonprofit!

In my experience, this step often appears as a stumbling block. I've helped train hundreds of newcomers to fundraising, and for many there is an instant gut reaction to resist a "script". I understand, and completely agree!

A "script" sounds like the opposite of natural, authentic, and casual.

With all of the cheesy, high-pressure, spammy sales and marketing tactics we are bombarded with in our environment every day, I truly honor that you want to come across as "real".

That's WHY you need a script.

Rehearsal of a well-written script is exactly what will allow you to soon throw away your notes, sit back and look someone in the eye with confidence, *while you become present and engaged with that person and their story.*

Your script should consist of **3** main parts:

1. Introduction and Rapport– Introduction and letting the person know the nonprofit you're representing. Keep it brief, and transition to the business confidently
2. Make Your Case – What your nonprofit does and why they should donate. Structure it with "The Problem", "The Solution" and "What your nonprofit organization does and why it's unique". If you can give an example of how it worked, do it
3. The "Close" -This is the most fear-inducing part - and the most crucial. You can stumble during the other two (people will secretly be rooting for you!) - but you have to be willing to ask for the money!

If you can do that in a way that shows you believe in your own cause, your prospect will be more likely to trust you and believe in it as well!

At its core, any presentation or script must:

- Ask for a specific amount of
- money... ...for a specific project...
- ...to accomplish a demonstrable result.

It should also be brief. You have a lot of calls to make, and people are often busy, so they will respect you all the more if you do not waste their time - or yours.

Remember, you're not allowed to touch your reward until you've made at least **2** calls. Then.

Dial, follow the script and make the ask.

Then BE QUIET...be the first one to speak after requesting the amount you wrote down...no matter how awkward it might get.

WARNING: The most uncomfortable **30** seconds of your life may also be the most rewarding - just trust the process.

Step **6**: Handle the objections (and write each one down for later)

They will give you what may seem to be valid excuses. Smile, thank them for being so honest and vulnerable with you.

Acknowledge the objections - "I agree with you, it sounds like you DO have a lot of bills!"

Then, calmly *ask again* - this time, for half the original amount. Again do not speak first following the ask.

The third time, ask, "what can you afford?"

Step 7: Thank the "No's"

Be generous with a verbal recognition of your gratitude for their time and consideration. Not only is it good manners, but they might donate in the future.

Step 8: Send Remittances:

ALWAYS, ALWAYS, ALWAYS send online payment links or a "snail mail" package to the "Yes" and "Maybe" crowd!

It's incredible how many miss this one!

You have to make it easy for them to donate - and it is still YOUR responsibility - not theirs - to hold them to their commitment!

Step 9: Follow Up

Every week, call the list of "Yes's" and "Maybe's" until you receive their funds. Do not waver - help them bring honor to themselves by expecting integrity, with no excuses.

More than half of your "official" amount of funds raised will only appear if you have solid, consistent, enthusiastic follow up!

Step 10: Thank every donor after receiving the funds

In a special, personal way from the HEART, remind them of the difference they've made...and do it in writing!

A thank you card/letter goes a long way, especially in this digital age. And it certainly makes it easier to ask again!

THANK YOU! That concludes this post, but there are absolutely endless ways to learn more, do more and BE more in the area of fundraising.

The procedures outlined above has helped thousands of people raise money for their nonprofits!

Give it a shot and let us know your victories and challenges, and stay tuned for more posts and training materials on other ways to raise money.

Nonprofit Seed Fundraising Call Script - Put fuel in the tank and feel comfortable and confident when talking to donors: [DOWNLOAD NOW](#)

Early-Stage Nonprofit Management: The 3 Free Apps to run the “Back Office”



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It's a wonderful time to be alive in any kind of business or social change organization -because today, there are free or almost-free apps that can cut your stress and workload by approximately one zillion percent!

The three amazing, easy-to-use platforms we're featuring below can channel the chaos of lists and spreadsheets, records and information, present and future opportunities, and communication into an integrated, organized set of systems.

When you're first getting started it's crucial to have effective, inexpensive, solutions to run your company that can also grow with you.

So, without further ado, here are The **3** Free Apps to run the “Back Office” in your nonprofit:

#1: Office Productivity, Communication, Information Storage and Management: Google G-Suite.

You can pretty much run your entire business on G-suite. We do!

Part of Google’s business model is to use their mountains of cash to go around buying companies that make life WAY better for millions of people in a way that’s easy to use, and then they incorporate those tools into their Google Apps suite.

They give away what just a few years ago would have cost **\$1000’s** plus per year for FREE.

For the long-term, Google’s Business Services (G-suite) capacity is so massive, so secure, and so popular that some of the largest and most powerful companies in the world have their entire infrastructure integrated with Google Apps, including us.

So as your nonprofit grows, Google’s free app suite (with the backbone being Gmail, Google Docs, Drive, Share, and Calendar) and social integration (YouTube, Google+) and advertising power can grow with it – and you can pretty much count on ZERO downtime. Ever.

[Click here to learn the amazing benefits of Google’s G-Suite](#)

#2: Video Conferencing & Webinars: Zoom

The connection made from meeting people face to face is priceless and powerful. We use Zoom!

Whether it’s your team or your donors, or any other important meeting, video conferencing is a must have tool.

We use and recommend Zoom Video Conferencing, and **[you can watch this video to learn more.](#)**

3. Project Management: Trello

I use Trello just for my personal life, and our company manages multiple projects, team members, and work flows with Trello!

In our experience - and we have used many such tools over the years - project management tools can be complex, frustrating and expensive, but Trello’s easy to use interface and design have cut through the noise and made our lives easier, allowing us to get more

done....and it’s FREE!

[Click here to learn how to use Trello for project management.](#)

We highly recommend that you take the time to learn and set up these services and have them set up and ready to go for your nonprofit launch. Don't wait until you're drowning to put a framework in place!

Having these tools ready when you need them cuts a lot of stress when you're starting out and creates a more optimal experience for you, your team, your community and your donors.

Thank you for visiting our site and blog, and stay tuned for more great training and resources to make your nonprofit successful!

Start Your nonprofit today at www.instantnonprofit.com!