

# CREATING A NONPROFIT

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In general, we do not recommend that you start up a NEW nonprofit to “change the world.” Chances are there is an existing organization that would welcome your help, and your time and energy would be put to much better use joining this group to strengthen their capacity to serve. Also, once you have incorporated as a nonprofit, the organization belongs to the community, not you. You could spend years and hundreds of thousands of dollars building an organization and find yourself out on the street. That being said, there are times where a community has a void that a new nonprofit, properly formed and guided by your energy and vision, would help fill.

If this is indeed the path you choose, here is a list of the basics to help you get started.

1. Research to determine there is no existing organization effectively working to achieve the same mission as the one you have in mind.
2. If you have not worked in a nonprofit before look for courses on nonprofit management, generally offered by your local community foundation or nonprofit management support organization. Take as many of these as you can.
3. Write a formal business plan that will delineate the specifics of what the organization will do, specifically how it will do it, and how success will be measured.
4. Do EXTENSIVE research about how and why to incorporate a nonprofit organization. You may begin your search on websites like these (there is an enormous amount of free information available on the internet). But, definitely get a copy of Anthony Mancuso’s *How to Form a Nonprofit Corporation in All 50 States*.  
[www.afpnet.org](http://www.afpnet.org)  
[www.allianceonline.org](http://www.allianceonline.org)  
[www.boardsource.org](http://www.boardsource.org)  
[www.charitychannel.com](http://www.charitychannel.com)  
[www.grassrootsfundraising.org](http://www.grassrootsfundraising.org)  
[www.guidestar.org](http://www.guidestar.org)  
[www.idealists.org](http://www.idealists.org)  
[www.managementhelp.org](http://www.managementhelp.org)
5. Once you have educated yourself about the the proper role of the board of directors and what type of people you will ultimately want to invite to serve on your board – this

should not be family and rarely should this be friends – begin to engage these individuals. You may engage them in a number of ways – helping you write your business plan; participating in focus groups regarding your mission and vision; helping you do a variety of essential research; helping you find initial funding, etc.

6. Once you have done your due diligence as listed above, and you have your business plan in place and a cadre of supporters who are committed to help you move forward, you are ready to secure an attorney and accountant with the expertise to file the required paperwork to get IRS approval for your nonprofit and to properly set up your books.
7. Write your bylaws. Do not just accept a set of corporate bylaws off the shelf. Your bylaws will dictate how you operate. Be very thoughtful about what they should contain. ([Click here to check out our list of considerations.](#))