



DO I REALLY WANT TO START A NONPROFIT?

The nonprofit sector is such an essential part of America's social and economic framework that we do not always realize how diverse and all-encompassing its influence actually is. Americans are known for their pioneer temperament, community spirit, and help-thy-neighbor attitude, so it is no wonder to see nonprofit organizations spring up in every facet of the society. Americans show social consciousness, concern for the environment, commitment to saving historical sights, duty to advocate individual rights, and an urgency to do this all as a personal vocation for a cause. This commitment can lead to a desire to start a new nonprofit organization.

Forming a nonprofit requires more than passion or devotion. One needs understanding of financial management, knowledge of legal requirements, managerial skills, community relations, familiarity with issues in the field, friends and supporters, and more than anything, time, energy and endless patience. One needs to be extremely determined before launching an enterprise of any scope.

Here are some questions to ask before taking the final step of starting a new nonprofit.

Is somebody already doing what I would like to do?

There is no sense in duplicating an effort that already exists. Maybe there is a possibility of working with an existing organization as a consultant, fundraiser, employee, direct-service volunteer or board member. A similar organization may exist at the national level and you could organize a new local chapter.

Is this the right time and place for starting a new organization?

How will the idea be received by the community? Is there a true need for my services? Have I tested the idea or am I the only one who thinks it is essential? Who are the constituents?

Do I have the necessary friends and supporters who would be willing to work with me?

It is impossible to start and manage an organization alone. Above all, a board must be recruited and paid or volunteer staff may be necessary from the beginning on.

How would I finance my organization?

Do I have the necessary seed money or where can I get the initial funding? Have I already developed relations with the leaders in the community? How much fundraising will I have to do? Should the services of my organization be free or

is this how I will produce earned income? Should I form a membership organization and charge a fee?

Could I associate my group with an already established organization?

If I am not yet determined to start a permanent enterprise, maybe another organization could provide office space and administrative help for my cause. Maybe this other organization could act as my group's 'fiscal sponsor'. Perhaps my group could be a new focus for another organization and provide the necessary expertise to create an additional program.

Do I understand the steps of forming a nonprofit organization?

There are a multitude of procedures to take care of before a nonprofit organization is ready to function: forming a board, drafting bylaws, developing a strategic plan, incorporation, applying for a tax-exempt status, securing funding, setting up an accounting system, locating an office, applying for licenses, recruiting staff and so on.

Are my financial ambitions appropriate for the cause?

Running a nonprofit or serving as a board member to one is not going to fill my pockets with cash. Staff members can be compensated justly; board members serve as volunteers and private inurement is not acceptable: personal benefit is not allowed. Will I be content to serve and work for my cause, get satisfaction from the results of my labor, and always put my organization first before thinking of my personal gain?

If you feel comfortable with your answers to the above questions, you still feel confident about having created a concept whose time has come, and you have prepared yourself for the demands ahead, you may very well be ready to take the next step.

References

Turning Vision into Reality: Starting a Nonprofit Organization. Available at www.boardsource.org.

How to Form a Nonprofit Corporation. Available at www.nolo.com.

Contact the National Council of Nonprofits to provide name and address of local state associations for nonprofits at www.councilofnonprofits.com or 202-833-5740.

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