

CompuRecycling Center, Inc.

501(c)(3) NonProfit Agency * Delta Business Alliance

Technical Resource Agency
P O Box 4135 * Greenville, MS 38703

Telephone: 662 335 2060 Fax: 662 335 2013

10 Steps to Starting Your Nonprofit Organization

If you're driven by a mission to help others and improve your community, you belong in the nonprofit world. Individuals with passion and drive are particularly well-suited to succeed in nonprofit work, especially when they're able to direct their own mission.

There are plenty of useful resources out there to get you started, but we've cut through the clutter to give you the basic framework. These 10 essential steps are key to not only starting but also growing your new nonprofit organization:

- 1. Identify your new nonprofit's mission.
- 2. Build your nonprofit's leadership team.
- 3. Set up an online donation page.
- 4. Write your organization's bylaws.
- 5. Legally incorporate to start your nonprofit.
- 6. Find local partners for your nonprofit.
- 7. Secure initial funding to start your nonprofit.
- 8. Apply for and receive 501(c)(3) status.
- 9. Get started pursuing your mission.
- 10. Build your nonprofit's professional network.

Starting a nonprofit organization is among the most admirable work an individual can do! You owe it to yourself and your mission to fully prepare. Follow these essential steps for building an organization that will last, grow, and benefit its community for years to come.



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1. IDENTIFY YOUR NEW NONPROFIT'S MISSION.



What first inspired you to start a nonprofit organization?

What issue or need do you see in your community that drives you to act?

It's important that you be able to articulate your mission into a single statement, and then understand the purpose of this mission statement. A strong mission statement should accomplish all of the following:

- Clearly express the mission of your nonprofit
- · Focus your organization's work and relationships
- Guide your nonprofit's growth and development
- Explain your purpose to constituents, donors, and funding bodies.

Remember, a <u>mission statement</u> doesn't need to explain everything about your nonprofit and its work, but it *does* need to clearly evoke the essence of your drive and purpose.



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2. BUILD YOUR NONPROFIT'S LEADERSHIP TEAM.



Next, build a strong team of leaders to help guide the creation of your nonprofit organization. You're likely already part of a group that shares a vision and has decided to found a nonprofit together.

The founding participants of a nonprofit organization should include:

- Several members of a board of directors
- An executive director
- Other volunteers

Nonprofit organizations tend to grow out of existing networks of individuals who are brought together by a common goal or interest. If you're part of a group working together to found an organization, this is where you'll find your founding board members, director, and volunteers.



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3. SET UP AN ONLINE DONATION PAGE.

Next, it's a good idea to go ahead and get set up with online fundraising tools.

Many small nonprofits struggle to maintain energy and momentum throughout the entire process of beginning operations and applying for 501(c)(3) status. Since your online donation page will serve as the foundation of your fundraising campaigns, start there.

4. WRITE YOUR ORGANIZATION'S BYLAWS.



Your mission statement will guide your organization's goals; your bylaws will guide your organization's operations...

Comprehensive bylaws to govern your operations are a central element of responsible nonprofit management, and they're also *required* for receiving tax-exempt 501(c)(3) status!

Work with your nonprofit's leadership team to draft a set of founding bylaws. They should directly address, but aren't limited to, these topics and elements of how your organization will work:

- Clearly defined leadership and staff roles
- A formal mission statement



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- Donation solicitation protocols
- Membership program and committee structures
- Policies for resolving conflicts of interest, setting compensation, etc.
- Procedures for amending the bylaws
- Explicitly defined financial reporting protocols

It's important to draft and vote on a set of bylaws early in the process of starting your nonprofit for two reasons. It's a required part of the federal 501(c)(3) application, but it also sets a strong precedent.

5. LEGALLY INCORPORATE TO START YOUR NONPROFIT.



Officially incorporating your nonprofit is required for eventually receiving 501(c)(3) tax-exempt status, accepting donations, and essentially functioning as a legal nonprofit organization.

Sounds intimidating, but creating and filing nonprofit articles of incorporation is actually one of the easiest steps in the entire process. Do some quick research on your state's nonprofit laws, then simply complete the incorporation document with the following information:

- The legal name of your organization
- The official location of its operations
- The names and addresses of all initial trustees, or board members



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6. FIND LOCAL PARTNERS FOR YOUR ORGANIZATION.



Next, identify some local partners in your community who can help support your launch.

The next two steps can be quite time-consuming or frustrating if you're new to them, so having some buzz in the community is a smart way to maintain engagement.

Your community partners will be essential once you actually start reaching out to constituents and donors, too! It can be very difficult to immediately begin engaging new stakeholders without already having a shared connection. Think about the local partners who might be interested and useful to your mission, like:

- Local businesses of any size
- Schools and local universities or colleges
- Other nonprofit organizations
- Local municipal offices or agencies

The right connections will unlock new donor bases, marketing outlets, and opportunities to directly pursue your mission.



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7. SECURE INITIAL FUNDING START YOUR NONPROFIT.



Nonprofit grant writing can be a major challenge. This is particularly true in the earliest days of your organization.

However, finding and applying for nonprofit startup grants is also extremely important! Without some initial funding, it can be difficult to reach and engage the donors who will support your work in the future.

Next, familiarize your team with the grant writing process. If most or all members of your team are new to grant writing, doing some research beforehand will go a long way to boost your chances of success. Put generally, the steps of grant writing are:

- 1. Understand your goals.
- 2. Identify grant opportunities and research the sources.
- 3. Build a grant writing team.
- 4. Get started on the proposal, refining your strategy as you go.
- 5. Build a strong case for support.
- 6. Review and submit.

Securing some initial funding early on is the best way for your nonprofit to get started pursuing its mission.

Continue researching and applying for startup grant funds as you work on the next step, too!



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8. APPLY FOR AND RECEIVE 501(C)(3) STATUS.



When imagining starting a nonprofit, this is the step that most people immediately think of, and for good reason.

The federal 501(c)(3) application process is extremely important for any nonprofit. It *can* be time-consuming and requires a great deal of organization, but it's not nearly as intimidating as many believe.

The most important tasks associated with applying for 501(c)(3) tax-exempt status include:

- Filing articles of incorporation with your state.
- Receiving an IRS employer identification number.
- Preparing your bylaws, leadership structures, and initial programming.
- Completing the lengthy IRS form 1023.
- Researching and complying with any separate state-level requirements.

Even once you complete the application for nonprofit tax exemption, your organization might not officially receive 501(c)(3) status for quite some time.

Just be sure to research and comply with all applicable federal and state solicitation and tax laws in the meantime!



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9. GET STARTED PURSUING YOUR MISSION.



While you wait to receive 501(c)(3) tax-exempt status, begin pursuing your mission!

You've been excited to get started working towards bettering your community, and now all the official startup processes are out of the way.

You might begin reaching out to donors and engaging constituents in all kinds of ways:

- Organize an event with a community partner. Maybe an established local nonprofit also
 focused on improving the community would be willing to help you host and promote a kick-off
 event. This is a great chance to meet new donors, hear from your neighbors and civic leaders, and
 promote your first projects.
- Consider exactly how you'll collect donations. In the digital age it's important for nonprofits to accept both in-person and online donations in various ways. For example, a newly-founded church or religious organization should.
- Start to market your nonprofit to donors and constituents. Set up social media pages for
 your nonprofit and begin building an audience. Ask followers to share your content, and be sure to
 invite everyone to your fundraising events. Collect some contact information and start an email
 campaign.

One of your overarching goals at this early point in your nonprofit organization's life should be to build relationships.



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10. Build your nonprofit's professional network.



As your nonprofit gets to work pursuing its mission, you and your team will discover the immense value of developing an extensive professional network.

Important groups or individuals to connect with might include:

- o Other nonprofits in your area of any size or mission
- Nonprofits in the wider region with missions similar to yours
- Media or digital outlets, like blogs, that focus on nonprofits
- Other media outlets related to your mission
- Networks or associations that work in your field

Building a professional network for your nonprofit can have some major benefits early on, particularly because others who believe in your mission will be happy to promote your work to their own audiences.

Expanding your network will help to increase visibility for your work, attract new donor bases, and connect your nonprofit with essential resources.