

# Maryland Nonprofits

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## Starting a Nonprofit - The Next Steps

Thank you for attending Maryland Nonprofits' workshop on How to Start a Nonprofit Organization. We hope that this program has armed you with the knowledge you need to successfully start a new nonprofit organization.

Maryland Nonprofits offers the following additional programs and services that can assist you in starting your nonprofit organization.

### **Associate Membership in Maryland Nonprofits**

**Cost: \$100**

We urge you to become a Member of Maryland Nonprofits. Individuals and groups that are forming new organizations, but haven't yet been granted tax-exempt status by the Internal Revenue service, are eligible to enroll as Associate Members - Future Nonprofit.

Once you sign on as an Associate Member - Future Nonprofit, you will have access to technical assistance via our website, by email, and, to some extent, by phone. Don't create your articles of incorporation or bylaws from scratch. Download them from Nonprofit Start-up page of our website and simply tailor to your organization's circumstances.

As an Associate Member you also may sign up to participate in our online Ecommunity on Starting a Nonprofit. Once subscribed to the eCommunity, you may pose questions to other community members, including our staff experts who serve as moderators, and may access sample documents in the document archive.

Once your organization receives a letter from the IRS approving your application for tax-exempt status, your organization is eligible to be a Nonprofit Member of Maryland Nonprofits. Nonprofit member dues are set on a sliding scale, ranging from \$100 to \$2,500, based on the size of your operating budget. Maryland Nonprofits offers a broad range of programs and services to assist you with all phases of the start-up and operation of a nonprofit organization. Consult our membership brochure or website, [www.marylandnonprofits.org](http://www.marylandnonprofits.org), for additional information.

### **Organizational Start-Up Services**

**Cost of Service: \$125 - \$175/hour for members (completed projects range from several hundred to several thousand dollars); \$250/hour for nonmembers.**

Maryland Nonprofits offers several types of professional services to assist groups in starting up nonprofit corporations and the flexibility to tailor assistance to meet your specific needs.

Document Review – We will review your completed 1023 applications before you submit it to the IRS (Maryland Nonprofits members only).

Document Preparation Services – Our staff can assist you with creating a nonprofit corporation and applying for tax-exempt status. This service includes:

## Development of Maryland nonprofit, non-stock corporation

1. Articles of Incorporation
2. Bylaws
3. Minutes of First Organizational Meeting

## Application for Recognition of Tax-Exemption under 501(c)(3)

1. Prepare/file SS4 - Application for Federal Employer Identification Number
2. Prepare/file IRS Form 1023, with related forms

The staff member will also represent the organization in communications with state and federal government officials as needed.

A typical start-up involves 10-25 hours of work, depending on the complexity and completeness of your organizational plan and the nature of the organization. If you select this option, you will be assigned a staff consultant who will talk with you about the project and give you a quote on the total price.

In a typical engagement, the staff member will meet with you and other key people in your group and ask you to answer a series of questions about how governance of the corporation should be structured. You will also be asked to share with us written materials describing your plans for the organization, including your planned budget.

The staff member will then prepare a draft of the required documents and, after you have a chance to review them, will meet with you to discuss any comments you have or changes you recommend. The staff member will then file the documents on your behalf and follow-up with the government officials as needed. Generally, the engagement ends when you receive the determination letter from the IRS acknowledging that your organization is entitled to tax-exempt status.

Our staff can also assist you with the following additional start-up related activities:

1. Prepare/file Combined Registration Form (sales tax exemption, employee withholding account, unemployment account)
2. Prepare/file application for Maryland State Personal Property Tax Exemption
3. Prepare/file registration under Maryland Charitable Solicitations Act
4. Develop/review personnel policies, employee handbooks, form contracts, leases, etc.

Organizational Development Services - Often times, the most challenging aspect of starting a new nonprofit organization is the planning. Maryland Nonprofits provides facilitation services to assist your group to arrive at a unified vision for the future of your organization and to make the myriad of detailed decisions that must be made before the legal work begins.

Facilitation of discussions and decision-making regarding the formation of a new nonprofit may include:

1. Definition of Mission, Vision, Goals & Strategies
2. Details regarding structure of nonprofit organization
  - determining membership structure, including if applicable classes of members, qualification for membership, rights and privileges of members;
  - structure, composition and governance process to be employed by the Board of Directors, including details regarding nomination and selection of officers and directors, quorum & voting requirements
  - structure, composition and purpose of board committees

Maryland Nonprofits also support start-up of new organization by providing consulting assistance in the following areas:

1. Development of board of directors, including (a) nomination, selection and orientation process; (b) training on basic roles and responsibilities; (c) structuring of board planning and evaluation processes.
2. Assist in developing proposed budget for three year start-up period.
3. Provide or assist in developing necessary organizational policies and practices, such as: personnel policies, budget development process, financial policies (e.g. investment, internal controls, reserve funds, purchasing), fundraising policies (e.g. gift acceptance); conflict of interest policy and disclosure statement; volunteer policies;
4. Provide or assist in developing necessary organizational infrastructure, such as: employee benefits program, business insurance, financial management system, etc.
5. Assist in development of fundraising plan.
6. Executive Search Coaching
7. Best practices research.
8. Training for board and/or staff on:
  - legal and regulatory requirements
  - board roles and responsibilities, board staff relations/allocation of functions
  - budgeting and financial management
  - fundraising and resource development

Note that you must first enroll as an Associate member by completing and submit the membership application for Associate Member - Future Nonprofit along with your dues payment.

