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## Starting a Nonprofit Org: What Does It Take?

What does it take to run a successful nonprofit? Innovation, integrity, community, and a whole lot of paperwork! To enjoy the benefits conferred by 501(c) nonprofit status, nonprofit organizations must complete a rigorous application process and maintain compliance with a variety of state and federal laws. Want to learn more about running a nonprofit or interested in starting a nonprofit of your own? The following are some of the important basics for starting and successfully maintaining a nonprofit organization.

### What Is a Nonprofit?

When most people think of charities they typically imagine a nonprofit organization. However; nonprofits encompass a wide array and diverse group of organizations that may not always be intuitively associated with the word “charity”. For example:

- Nonprofits include charitable organizations, social welfare organizations, membership-based nonprofits, and [24 other types](#) of 501(c) organizations.
- [Unlike for-profit businesses](#), nonprofits cannot legally distribute profits to directors, officers, or members. Instead, all profits must be used to fulfill the organization’s mission.
- Nonprofit status offers [valuable benefits](#) including tax advantages, personal liability protection, and eligibility for public and private grants.

# Filing Requirements for Nonprofit Organizations

When you're ready to establish a nonprofit organization, where should you begin?

- Establishing a nonprofit starts with incorporating as a nonprofit corporation. Articles of [Incorporation and filing fees](#) must be submitted to the state's filing office.
- Nonprofit corporations are required to write bylaws that govern how the organization operates. Bylaws must include information about the [organization's purpose](#), policies, and board of directors, and abide by all applicable state laws.
- Applying for tax-exempt status is the most challenging aspect of nonprofit formation. Organizations that wish to be recognized as a 501(c)(3) nonprofit must file [IRS Form 1023](#). Other nonprofit organizations complete Form 1024.
- IRS Form 990 is the annual report required by the federal government for most tax-exempt nonprofits. The local state of nonprofit residence will typically [enforce annual filing requirements](#) including corporate, tax-exemption, and fundraising filings.

## Practical Advice for Small Nonprofits

It's not easy fulfilling a big mission on the limited budget of a small or relatively new nonprofit organization. These tips help startup organizations grow while avoiding the mistakes that stifle nonprofits.

- The less a nonprofit spends on administrative expenses, the more funds are available for its mission. Look for software that automates and accelerates time-consuming tasks to save money and learn about the [costs of forming](#) an LLC if your state permits nonprofits to operate under this entity.
- Similarly, nonprofits improve efficiency and grow their reach when they invest in digital marketing automation. Email marketing automation in particular is a powerful tool for deepening a [nonprofit's connection](#) with its followers.
- Beyond saving money, technology helps nonprofits make data-driven decisions. Too many nonprofits lean too heavily upon intuition or gut feeling which may inhibit efficiencies and cause them to flounder. Software makes it easy to collect and [analyze actionable metrics](#) to validate and guide a nonprofit's decisions.
- Metrics are especially valuable for fundraising. Small organizations rely on ongoing support from a base of committed donors. [With donor data](#), nonprofits can identify those supporters and cultivate loyalty.

Running a nonprofit isn't for the faint of heart. However, for the dedicated few who are energized by a meaningful opportunity and up to the challenge, there's no better way to make a difference.