



# HOW TO START A **NONPROFIT** ORGANIZATION

**12 STEPS + CHECKLIST**





# HOW TO START A NONPROFIT

1. DEFINE YOUR MISSION.
2. BUILD YOUR TEAM.
3. USE ONLINE FUNDRAISING TOOLS.
4. LEGALLY INCORPORATE.
5. WRITE YOUR BYLAWS.
6. APPLY FOR 501(C)(3) STATUS.
7. SECURE STARTUP FUNDING.
8. IDENTIFY LOCAL PARTNERS.
9. PURSUE YOUR MISSION.
10. GATHER COMMUNITY SUPPORT.
11. BUILD A PROFESSIONAL NETWORK.
12. PREPARE FOR GROWTH.





**IF YOU'VE DECIDED TO START** a nonprofit, congratulations! You're about to embark on a fulfilling journey with an incredible purpose: to do good things in this world. Working in nonprofits is extremely rewarding, but founding your own organization can be a major challenge.

Building an effective, long-lasting organizational structure takes determination and planning— and [the right tools](#). Yet being fully prepared and understanding every aspect of nonprofit work goes a long way to help ease the process.

The following steps are key to establishing and growing your new nonprofit organization. Use this list to jump to a specific step, or follow along from the top:



As you read through these essential steps, remember that while some may be pursued in whatever order you see fit, others should follow this particular order. For instance, you must write your initial bylaws before applying for 501(c)(3) status, and you must set up your online donation page before you start any fundraising campaigns.

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

## PART I: GETTING SET UP

1. [Define your nonprofit's mission.](#)
2. [Build your nonprofit's leadership team.](#)
3. [Get up and running with online fundraising tools.](#)
4. [Legally incorporate to start your nonprofit organization.](#)

## PART II: GETTING OFFICIAL

5. [Write your new nonprofit's bylaws.](#)
6. [Apply for and receive 501\(c\)\(3\) status.](#)
7. [Secure some startup funding for your organization.](#)
8. [Identify local partners for your nonprofit.](#)

## PART III: GETTING STARTED

9. [Get started pursuing your mission.](#)
10. [Begin building a base of support in your community.](#)
11. [Build your nonprofit's professional network.](#)
12. [Lay some foundations for future growth.](#)





# 1

## DEFINE YOUR 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?

You already understand your motivations and the goals of your nonprofit's work, but transcribing and communicating them to others can be more challenging than you might initially assume.

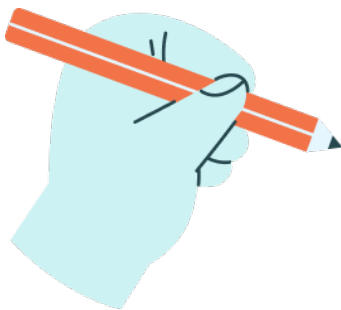
A strong mission statement should accomplish all of the following:

- 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 **mission statement** 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.

**MISSION STATEMENT =  
MISSION + WORK + GROWTH + PURPOSE**



Try to keep your mission statement short and sweet— one or two sentences at the most. We walk through more best practices in our longer [guide to writing a mission statement](#).

Taking the time to draft an effective mission statement moving forward is a smart move. Establish a clear mission that defines your driving passion, the actions you'll take, and the impact you'll have. This will act as a guiding light as you work through all the steps for starting your nonprofit organization— and it'll keep your vision focused on the bigger picture.





# 2

## BUILD YOUR NONPROFIT'S LEADERSHIP TEAM.



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

If you're driven by your own individual mission, you'll need to find partners who share it. Creating a reliable leadership structure composed of passionate, committed individuals is the only way to ensure that your nonprofit's operations will be sustainable.

The founding participants of a nonprofit organization should include:

- 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 these key individuals.

Once your organization has gained its footing, you'll be able to take on dedicated staff members, compensate your executive director, and create a more extensive leadership structure. You'll establish an official board of directors comprised of at least three members, and preferably an odd number of individuals.

In the meantime, it's important to accept help wherever possible but also refrain from taking on too many individuals!

And you must make it easy for your team to work together. This means regular, open communication and easy-to-use systems with multi-user access. Everything should be an open book, and everyone should be on the same page!

Nonprofit organizations tend to operate on extremely slim budgets, especially when they're young. This, combined with the inherent challenges of founding a nonprofit, means that you must remain focused on your mission and vision.





# 3

## GET UP AND RUNNING WITH ONLINE FUNDRAISING TOOLS.

When you start a nonprofit, you're the person who's running the operations. Regardless of the mission and drive behind your organization, there's one thing you should be prepared for— you'll be busy. There's no end to the tasks you could be doing, so nonprofit management becomes a question of prioritizing and streamlining operations wherever possible.

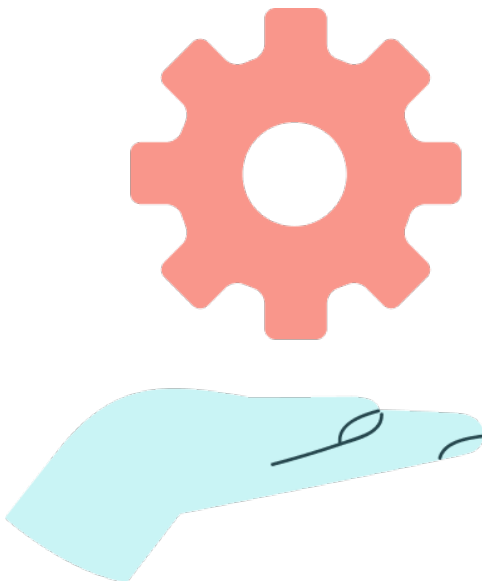
One of the chief functions in running a nonprofit is that of fundraising. Fundraising can require considerable investments of time and money to start generating stable revenue for a nonprofit organization— but it doesn't have to. Simplify daily operations right out of the gate by setting up a basic online donation platform for your nonprofit. This is the foundation from which your nonprofit will be able to grow. Here's what you'll need:

- **Fundraising software:** An ideal fundraising toolkit will include an online platform for accepting gifts, pledge fundraising options, event planning and registration tools, and [data reporting features](#).

The thousands of available fundraising tools might seem intimidating at first to the new fundraising professional. Juggling numerous systems will likely complicate, rather than simplify, management of your nonprofit— so look for an all-in-one platform for donations, events, and reports.

- **Online donation page:** Next, it's a good idea to get set up with online fundraising tools. Having your [online donation page ready to go](#) when it's time to start fundraising is a smart way to save time and money.

Many nonprofits struggle to gather momentum throughout the process of initial operations and applying for 501(c)(3) status. This creates the risk of a gap period when you're in a position to begin fundraising but don't yet have the basic tools in place to process donations. Since your online donation page will serve as the foundation of your fundraising campaigns, it's a good idea to start there.



- **Text-to-give tools:** Now that your fundraising platform is in place, you'll want to offer easy ways to give and accept donations. In addition to online giving, [text-message-based donations](#) are a great way for your nonprofit's supporters to give on the go.

Donors text a keyword (such as "give") to your nonprofit's text-to-give phone number and then confirm the amount they'd like to give. First-time donors fill out a short donation form with their credit card information. The first-time process takes under a minute; repeat donations take just two clicks.

- **A marketing strategy:** You will need to think deeply about how to position yourself in the nonprofit—and wider—world. Think about how your nonprofit compares to similar ones, and what sets yours apart.

Branding isn't just for commercial businesses. It defines how any organization expresses its goals and conveys its mission. Key tools to market your new nonprofit include your website, social media profiles, and press outreach.

- **Matching gift software:** One smart way to support your nonprofit's long-term goals from the start is to embed corporate philanthropy into your fundraising strategy early on. Do this by investing in a matching gift database that embeds into your donation software and website.
- The main reason that donors don't use their matching gift power is simply that they don't know it exists. Include educational resources in your email newsletters and on your website, and then encourage them to use your database to look up their own eligibility and complete their matches.

With access to these key tools, you'll be able to collect and store critical donor data, build your support base, and establish long-term relationships. The best part is that many of these fundraising platforms have [free tools that are perfect for a newly incorporated nonprofit](#), with potential upgrades available for your organization as it grows.





# 4

## LEGALLY INCORPORATE TO START YOUR NONPROFIT ORGANIZATION.

In order to move forward with starting your nonprofit, you'll need to write up a draft of your official charter. Also known as the articles of incorporation, your charter is what defines your new nonprofit as a legal entity.

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.

Though it may sound intimidating, 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

Each official board member identified in your bylaws then needs to sign the articles of incorporation. Submit this document to your state's secretary of state office, and you've legally incorporated your nonprofit organization!

For more specific guidance, check out this [handy template from the IRS](#) that can guide your team as you draft your own founding charter. Of course, this process varies slightly from state by state, so do your research before starting.







# 5

## WRITE YOUR NEW NONPROFIT'S BYLAWS.

While your mission statement will guide your organization's goals, your bylaws will guide your organization's operations. Your bylaws are an extremely important founding document that will affect both its internal culture and functions for years to come.

Comprehensive bylaws are a central element of managing your nonprofit, governing its operations, and setting a strong precedent—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 concerning how your organization will work:

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

Organized procedures and clearly defined roles are absolutely essential to the success of your nonprofit organization. Your bylaws will ensure that all founding members are held accountable and committed to the organization's continued health.

Nonprofits need human resources structures and processes just like other organizations, and your bylaws are like your first HR foundations. Check out this [guide to nonprofit HR](#) to learn more about how stronger internal operations and culture can help stabilize your growth, especially in your early stages.



# 6

## APPLY FOR AND RECEIVE 501(C)(3) STATUS

When you imagine starting a nonprofit, this might be the step you immediately think of— and for good reason! Applying for and receiving 501(c)(3) status is the key to claiming status as an official nonprofit organization— complete with tax exemption and deductions for your donors.

The federal 501(c)(3) application process is vital for any nonprofit organization. It can be time-consuming and requires some strategizing, 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've completed the application for nonprofit tax exemption, your organization might not officially receive 501(c)(3) status for quite some time. There are policies in place that address nonprofits in this situation, so go ahead and get started engaging constituents and raising funds— just be sure to comply with all applicable federal and state solicitation and tax laws in the meantime.



### STEP 1

**WRITE YOUR BYLAWS**



### STEP 2

**APPLY FOR 501(C)(3) STATUS**



### STEP 3

**WRITE YOUR RECEIVE TAX EXEMPT STATUS**

For a more thorough explanation, be sure to read our [complete guide to the 501\(c\)\(3\) application process](#).





# 7

## SECURE SOME STARTUP FUNDING FOR YOUR ORGANIZATION.

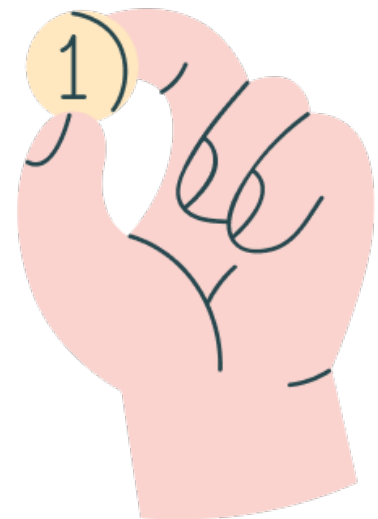
Nonprofit grant writing can be a major challenge, especially in the earliest days of your organization. However, finding and applying for nonprofit startup grants is extremely important to the launch of your organization.

First, you'll start by researching the different sources and [types of nonprofit startup grants](#). Funds can be secured from corporations, private foundations, and federal, state, or city governments. Without some initial funding, it can be difficult to reach and engage with the donors who will support your work in the future.

Next, you'll need to 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 toward boosting your chances of success. Put generally, the steps of grant writing are:

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

Securing some initial funding early on is the best way for your nonprofit to start pursuing its mission. Continue researching and [applying for startup grant funds](#) as you work on the next step, too.





# 8

## IDENTIFY LOCAL PARTNERS FOR YOUR NONPROFIT.



Next, identify a few local partners in your community who can help support your launch. At this point in the startup process, deliberately cultivating a local network of partners is beneficial because it builds momentum and keeps everyone excited.

Your community partners will become essential once you actually start reaching out to constituents and donors. It can be very difficult to engage 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
- Schools and local universities
- Other nonprofit organizations
- Local municipal offices or agencies

Reach out to these partners and emphasize what you have to offer in the arrangement— such as free publicity and boosted [corporate social responsibility](#).

Remember, you're founding a nonprofit organization to better your community and address a specific problem. Your founding leadership is likely already well connected, but expanding your local network is always a good move. The right connections will unlock new donor bases, marketing outlets, and opportunities to directly pursue your mission.





# 9

## GET STARTED PURSUING YOUR MISSION.

You've been excited to get started bettering your community, and now all the official startup processes are out of the way. If you've already begun identifying local partners who can give you a foothold in the community, start leveraging those relationships.

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

**Events:** 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.

*Pro tip! Before your first event, make sure you have [event software](#) set up, so you can sell tickets (if applicable) and collect information about who will be attending.*

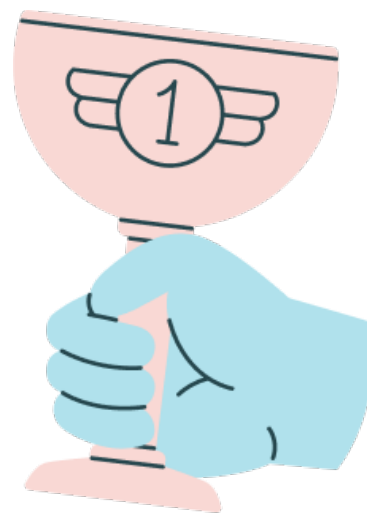
**Donations:** In the digital age, it's crucial for nonprofits to accept both in-person and online donations in various ways. In the last few years, online giving has taken over as the most popular

way to give. [According to Double the Donation](#), 55% of millennial and Gen X donors prefer to give online, so you have to meet them where they are.

*Pro tip! If you haven't [set up your donation platform](#) yet, now's the time. You don't want to lose out on the initial momentum your nonprofit is building.*

**Relationship building:** One of your overarching goals at this point in your nonprofit life should be to build relationships. Developing and nurturing initial relationships with donors and partners will form a strong foundation of support from which your nonprofit can grow. Keep outreach as a top priority, and be sure to nurture any relationships that are already underway.

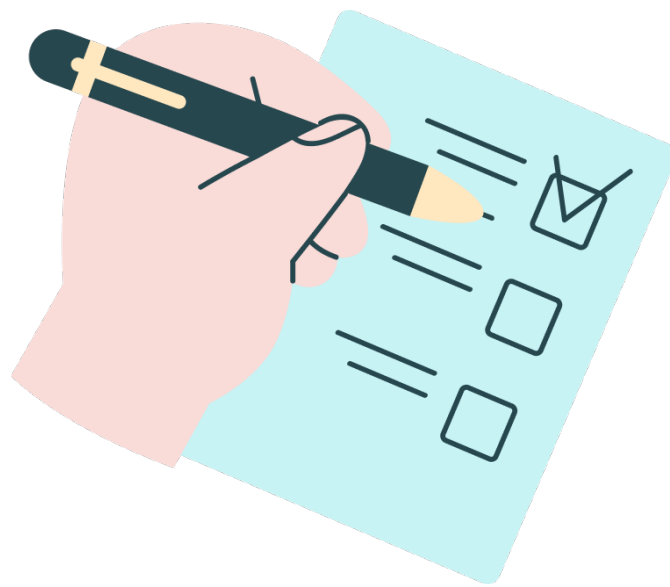
*Pro tip! Set up social media pages and begin building an audience. Ask supporters to share your content, and be sure to invite your following to participate in fundraising events.*





# 10

## BEGIN BUILDING A BASE OF SUPPORT IN YOUR COMMUNITY.



Use your own social media pages to convey your mission, let people know about your events, share fundraising initiatives, and direct followers to your online donation page.

As an added boost, your [donation page](#) can include tap-to-share social media buttons. This way, your supporters can quickly and easily let their own networks know about your nonprofit and their own involvement.

Consider running an email campaign with regular (but not too frequent!) [newsletters](#) that let readers

know about the great work you're doing. Include plenty of visual content, such as powerful photos or short videos of your team in action. This is a great way to inform and engage your supporters, so be sure to collect email addresses and other key contact information at all possible avenues.

Keep your website updated frequently with new blog articles, pages, photos, and updates. Make sure everyone knows your nonprofit is diving head-first into accomplishing amazing things— and that they, too, can get involved!





# 11

## BUILD YOUR NONPROFIT'S PROFESSIONAL NETWORK.

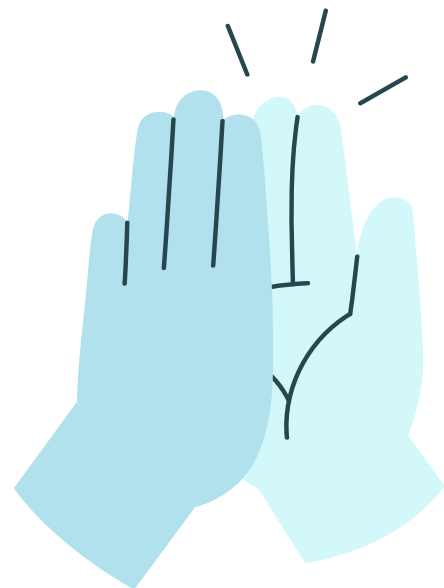
As your nonprofit gets to work pursuing its mission, you and your team will discover the immense value of developing an extensive professional network.

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.

Important individuals and groups to connect with might include:

- Other nonprofits in your area of any size or mission
- Nonprofits in the wider region with missions similar to yours
- Digital outlets, such as blogs or news channels, that focus on nonprofits
- Other media outlets related to your mission
- Networks or associations that work in your field

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





# 12

## LAY SOME FOUNDATIONS FOR FUTURE GROWTH.



You've put in plenty of hard work to get your new nonprofit organization up and running. That's a real testament both to your passion and the value of your mission.

Now's the time to plan ahead and invest in your nonprofit's growth. Having smart development plans in place will greatly reduce any growing pains or internal friction as your hard work continues to pay off.

In addition to building scalable methods into your structures from the very beginning, go ahead and identify some tools that you'll need in the future, like:

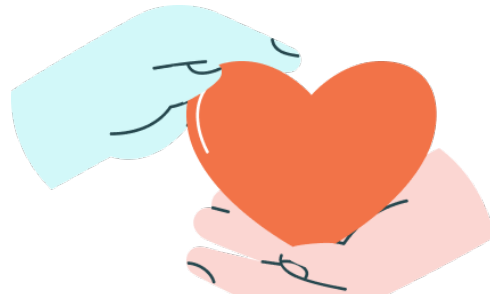
- An adaptable CRM or database system
- New digital donation tools and platforms
- Automated marketing systems
- Volunteer, member, and staff management tools
- [Matching gift automation software](#)

Consider how your staffing and leadership strategies will adapt to growth as well. Have [strategic plans](#) in place for officially growing your board, instituting membership programs, and creating new staff positions.

Planning for your nonprofit's successful future is the best way to invest in its stability and healthy growth!







No one works in the nonprofit sphere because it's easy. Nonprofit organizations are founded for one key reason: to better the world and the communities that comprise it.

If you've made the admirable decision to start your own nonprofit, familiarize yourself with the entire process and be prepared to learn as you go! Always be on the lookout for useful resources that can provide you with new insights and resources, like these:

- [Best Nonprofit Software to Raise Money Fast](#). Choosing and managing a digital platform for collecting donations is essential for modern nonprofits.
- [Digital Asset Management Software for Nonprofits](#). Easily define and maintain your nonprofit's brand and mission with your donors.
- [Innovative School Fundraising Ideas](#). Learn some unique fundraising strategies perfect for new nonprofits with educational missions.
- [Fundamental Grant Proposal Template: 8 Crucial Components](#). Here's what to know when you're applying for external funding.
- [Nonprofit Digital Strategy: How to Maximize your Online Presence](#). These key tips will help you establish an effective strategy for your nonprofit organization's digital marketing.
- [Donor Retention: Attracting and Retaining Supporters](#). Find out how to get your donors returning time and time again.



## Get a Personalized Tour

Snowball Fundraising is the all-in-one fundraising platform that makes it easy for your nonprofit to start fundraising today. Stay in the know with guides, articles, news, and tips to help your nonprofit thrive in today's fundraising space.

SEE HOW IT WORKS

