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Legal Assistance for Start-Up Nonprofit Organizations

Although a lawyer can help you apply for tax-exempt status for your nonprofit organization, there are several important things you **must** do before Community Legal Resources (CLR) will help you find a lawyer to assist you. Apart from serving as a threshold to receiving assistance from CLR, the following tasks are critical to establishing a successful nonprofit organization.

1. Establish a Board of Directors

- Contact individuals who share your vision and ask them to be a part of your Board of Directors.
- Make a list of the name, address, and phone number of all Board members.
- ***Provide CLR with this list of Board members and with evidence that the Board has met at least once (such as minutes of the meeting).***

2. Create a Business Plan of Activities

- The business plan of activities is more than just your organization's mission statement.
- Think about the goals of your organization. What are the long-term goals? What are the short-term goals? How you will go about meeting those goals?
- Establish whether the activities will be carried out by staff members or by volunteers; where you plan to do them; and when.
- Use a timeline to set benchmarks for achieving your goals.
- After laying out the business plan, prepare a 2-4 page narrative describing your organization, its mission (which generally should be consistent with serving low-income individuals or low-income communities), its programs and its goals. ***Please submit this narrative to CLR.***

3. Generate a 2-3 Year Projected Budget

- Determine how much money you are going to need to meet the goals set out in your business plan.
- Keep in mind overhead costs such as rent, supplies, and staff as well as program-specific costs such as food or construction costs.
- ***Provide CLR with this budget.***

4. Prepare a Fundraising Plan

- Think about the sources you will be using to fund your organization and create a plan for obtaining funding from those sources.
- Look for diversity in funding sources. In order to qualify for tax-exempt status, you will need to show that you have several different sources of funding. ***These various sources of funding should be identified in your proposed budget.***

Organizations such as the Accounting Aid Society can assist you in accomplishing each of these items through its "Getting Started" workshop (313.647.9620). You can also get guidance simply by talking with other nonprofits with similar missions and asking for advice and assistance.

Once you've accomplished the tasks stated above (and completed a Request for Legal Assistance Form), CLR will be glad to try to help you locate a lawyer who can assist you with obtaining tax-exempt status.