



Non-Profit Formation

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Checklist for Establishing a Non-Profit



- ❑ **Establish a Formation Committee**
 - ❑ Often becomes the first Board of Directors
 - ❑ Board Attributes:
 - ❑ Share sense of mission
 - ❑ Certain level of business or organizational competency
 - ❑ Long-term strategic thinkers
 - ❑ Try for balance
 - ❑ Lawyers and Accountants?

Checklist for Establishing a Non-Profit



- ❑ **Determine Purpose of Organization**
 - ❑ Mission, Purpose, Vision, Goals
 - ❑ Direct the organizations activities
 - ❑ Achievable?
- ❑ **Choose a Name**
 - ❑ File Fictitious Registration with SOS
 - ❑ Keep It Simple
- ❑ **Prepare Corporate Documents**
 - ❑ Articles of Incorporation
 - ❑ Bylaws

Bylaws



- **Rules that govern the internal management of an organization**
- **Cover:**
 - ✦ Name
 - ✦ Board of Directors
 - ✦ Officers
 - ✦ Committees
 - ✦ Meetings
 - ✦ Voting
 - ✦ Conflict of Interest
 - ✦ Fiscal Policies
 - ✦ Amendments
- **Organization does not formally exist until the bylaws have been approved by the board of directors**

Checklist for Establishing a Non-Profit



Register the Corporation

- Federal and State Tax Exemptions
- Employee Identification Number
- Licenses and Permits
- 501cs
 - 28 variations
 - c3 - religious, educational, charitable, scientific, literary, public safety, fostering of national or international amateur sports, or prevention of cruelty to animals and children.
 - c4 – civic leagues for the promotion of social welfare, employee associations
 - c6 – Business leagues, Chamber of Commerce, Home Builders

Checklist for Establishing a Non-Profit



- Develop an Organizational Strategic Plan**
 - Match strategies to achieve goals
 - Develop fundraising plan, short-term and long-term operating budget, and activities plan
 - Revisit, react, revise
- Recruit Staff and Volunteers**
 - Develop partnerships
- Establish Specific Operational Procedures**
 - Payroll
 - Insurance

Final Thoughts



- **Money – non-profit does not mean no profit**
- **Liability – Board is liable for the organizations actions**
- **Documentation – Write it down, file it, record it**
- **Legal – Keep up with filing requirements, adhere to restrictions**
- **Debt – The borrower is servant to the lender (Proverbs 22:7)**
- **Strategy – Businesses don't operate without a plan**

Final Thoughts



- **Relationships – Network and invest in your relationships**
- **Customer Service – Donors, Volunteers, “clients”**
- **Reputation – safeguard reputation to vendors, donors, program recipients...everyone**

Questions



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