

Published on National Council of Nonprofits (https://www.councilofnonprofits.org)

Original URL: <a href="https://www.councilofnonprofits.org/running-nonprofit/how-start-nonprofit">https://www.councilofnonprofits.org/running-nonprofit/how-start-nonprofit</a>

## **How to Start a Nonprofit**

## Every day, individuals like you are inspired to start a nonprofit to help serve your community.

Starting and sustaining a nonprofit are not easy tasks, but we applaud your commitment to helping others.

The pages in this section of the National Council of Nonprofits' website walk you through some of the questions to ask before starting a nonprofit, filings you'll need to complete at the federal and state levels, and the standard policies and procedures that you may want your new nonprofit to have in place.

- Looking for this information in Spanish? Candid offers guidance on starting a nonprofit in <a href="English">English</a> and <a href="Spanish">Spanish</a>.
- If your nonprofit qualifies for tax-exemption under federal law as a "501(c)(3)" public charity, it will not be required to pay income tax on donated income and it will qualify for tax-deductible contributions. These characteristics are governed by federal law through IRS regulations. See IRS publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, to find out what the IRS requires for a nonprofit to be a tax-exempt public charity.
- See also the <u>Exempt Organizations Technical Guide on Exempt Purpose</u>, revised in March 2023, for a primer on what qualifies for 501(c)(3) status. The Technical

Guide includes comments regarding organizational and operational tests as well as permissible advocacy that furthers the exempt purpose of the organization.



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The National Council of Nonprofits does not provide one-on-one assistance to start (or operate) a nonprofit. Instead, we freely share lots of information on our website and encourage you to consult with local expertise (either an attorney, accountant, or someone familiar with the laws affecting how charitable organizations operate in your state) to ensure that your new nonprofit complies with state and local requirements, as well as federal laws. And please note: In most states there are <a href="state-specific requirements for fundraising">state-specific requirements for fundraising</a> that may require registration with that state.

We encourage you to read the information we share below before making a decision to start a nonprofit. Consider whether identifying a <u>fiscal sponsor</u> to "incubate" your nonprofit idea would be more practical, and less expensive, than starting a new organization.

As you begin this journey, be sure to find out what opportunities are available through your local <u>state association of nonprofits</u>.

## **How to Start a Nonprofit - Table of Contents**

- How to Start a Nonprofit home page
- Step 1: Do Your Research
- Step 2: Build a Solid Foundation
- Step 3: Incorporation and State Forms

- Step 4: Filing for Federal Tax-Exempt Status
- Step 5: Ongoing Compliance
- Back to How to Start a Nonprofit Home Page

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