



Answer *yes* or *no* to each of the questions below.
If you say *yes* to any of them, stop and re-group.

Flip over to the back to read possible solutions and things to consider should you choose to move forward.

THE NEED

- Is someone else already doing this (or something similar)?
- Is your idea a project, like a fundraiser or one-time event?
- Is it possible that your idea is better suited as a program and not as a stand-alone nonprofit?

THE FUNDS

- Do trends and data show you might have difficulty securing long-term funding?
- Are you counting on grants for all your funding?
- Do nonprofits similar to yours struggle to get funding?

THE RULES

- Do you plan to engage in politics?
- Is your primary purpose to lobby for specific legislation?
- Will you be competing with a for-profit business or selling something?
- Are your board members family, friends, and/or folks with similar backgrounds and experiences?
- Do you intend to eventually be employed by the organization?

THE NEED

Someone else is already doing this.

If someone else is already doing this, consider if there is truly a need for a new organization. If there is a need, how will your organization compete for the same funding?

Your idea is a project.

A nonprofit requires governance and due diligence. If your idea doesn't require an infrastructure, find an organization to serve as your fiduciary.

Your idea is better suited as a program.

A program is the delivery of a specific "widget" to a specific demographic. You don't want to start a nonprofit when your idea is best served as a program of an existing group.

Suggestions:

- Consider partnering with an existing organization who will serve as a fiduciary.
- Serve on a board or committee of an existing organization to explore how that organization could fill the need.

THE FUNDS

Similar nonprofits struggle for funding.

If there is a gap that you are seeking to fill for the community, consider why the gap is there. Is someone else not meeting the need because they couldn't secure funding or because of other barriers? You may need to be innovative with your business plan.

You're counting solely on grants.

Only 40% of charitable donations come from foundations. It may take years to build enough capacity to be ready to apply for grants.

Suggestions:

- Conduct a feasibility study to confirm the need and to ensure there's a way to fund your efforts to meet that need.
- Build a business plan with diverse revenue streams.

THE RULES

You will be politically active.

Don't start a 501(c)3. Look at other 501 designations (I.E. 501(c)6).

You will compete with a for-profit or will sell something to make money.

Unless the product sold is part of your mission, you'll be paying taxes on that income. (Make too much money, and you'll lose your nonprofit status.)

You want long-term control of the idea.

Nonprofits are not owned by a single person. They belong to the community and all assets are also owned by the citizens/taxpayers. If you want to maintain control, consider a social entrepreneurship.

Your board will be your friends and family.

A board should be a group of independent thinkers. Don't find the people you know, find the people you need. Ask around for referrals and get creative with where you look.

Suggestions:

Consider a structure that pursues social good (I.E. C corporation, LLC, B corporation, L3C).