



T.S. WROBEL & ASSOCIATES
ATTORNEYS AT LAW
NonprofitLegalCenter.com

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Specialists in Providing Legal Services for New and Established Nonprofits

Dear Friend: If you have been trying to make sense of the processes required to start your nonprofit, you may be feeling overwhelmed or confused with the seemingly impossible task of setting up your organization and getting recognized by the IRS as tax exempt.

We are here to help. Our firm specializes in the startup and counseling of Nonprofit Organizations. We also offer our clients ongoing legal representation on a host of legal issues facing nonprofits, including: Corporate, tax exempt status and regulatory compliance, general counsel, employment law, real estate, leases, and liability issues.

We Help Nonprofits Better the World

We are familiar with the critical issues and significant challenges facing nonprofits, and are committed to helping our clients fulfill their organization's mission. Our expertise will save your organization time and resources that are better dedicated to fundraising, networking, building relationships and pursuing your nonprofit mission. To best avoid difficulties and delays with the IRS, your organization should be represented by an attorney specializing in nonprofit law.

Free Help from a 501(c)(3) Specialist – Toll Free Consultation

Working with non-profits is our passion and purpose: I know that by helping you, we are helping to make the world a better place. That's why we provide a **FREE 20 MINUTE CONSULTATION (1-800-928-4161)** for prospective nonprofit clients.

We Cover all Legal Needs

- Incorporation, bylaws, budgets, minutes for initial directors' meeting, and other startup documentation (routinely within 1-2 weeks of retainer)
- Establishing Tax Exempt Status at the Federal & State level (routinely within 60-120 days of filing)
- Guidance and instructions in maintaining corporate formalities and keeping your nonprofit tax exempt status over the long term
- Continuing representation and consultation including employment, real estate, leasing, and contract issues
- Compliance review - entailing review of bylaws, State and Federal filings and representation when organizations are out of compliance.
- Accounting for IRS and state filings (8734, 990, etc.)



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Our 501c3 Nonprofit Startup Package

Once you are ready to incorporate and obtain 501(c)(3) or other 501(c) tax exempt status, we can provide a complete turnkey solution to obtain full nonprofit corporation tax-exempt status in a cost effective, timely and hassle free fashion. The package includes:

1. Professional staff working with you to:

- Create a Strategic Fund-raising Plan
- Write a Statement of Purpose and Program Activities
- Determine Structural Issues for the Board of Directors
- Create a 3-year Budget
- Review nonprofit corporate responsibilities

2. The above documents, when completed to your satisfaction, will be used to complete your organization's:

- Articles of Incorporation
- Bylaws
- Conflict of Interest Policy (Strongly Recommended for tax exempt status)
- Minutes of the your Board of Director's First Organizational Meeting
- IRS Form 1023 Exemption Application
- State Exemption Application and/or Registration
- Corporate Records Book

3. We also provide your organization with:

- Written Instructions on Maintaining your Corporate and Nonprofit Status
- A free Toolkit and Reference Guide on how to maintain your corporate and tax exempt status
- Ongoing representation at reasonable costs

A Turnkey Solution for a Low Set Fee - \$2275

We have a 100% success rate with our clients and our start up package will save you time and resources. Our Fee for most Nonprofits is \$2275, plus the government filing fees.

Payments are made via major credit cards and checks.

Get Started with Our Services

Contact us at 1-800-928-4161 or by email at info@nonprofitlegalcenter.com. We will review the terms of our service and provide you with a straight forward written contract. Upon return of the signed written contract, our staff will begin working with you to complete the process of starting your new Nonprofit, or providing you with any other legal assistance that you require



COSTLY MISTAKES YOU MUST AVOID IN STARTING A NONPROFIT

1. **Don't do it alone.** Get Help. You should assemble a team of volunteers who support your nonprofit purpose. This group can help you with research and resources. If you can, assemble a team with experience in accounting, legal, business management, and nonprofit operations. It is highly recommended that you seek out a nonprofit development specialist to help you with the startup process. You can start a nonprofit yourself, with guidebooks, but this invariably takes a lot more time, and could result in frustrating delays, denial of status due to improper filing, compliance problems, or other legal complications.
2. **Don't start before you know what the process entails.** Do your homework and get educated on all aspects of starting, operating, and managing a nonprofit organization. Our website is a great place to start so visit www.NonProfitLegalCenter.com now.
3. **Don't use an "incorporation" or "paralegal form" service.** Frequently, these services only provide part of the documents necessary for you to obtain tax exempt nonprofit status with the state and federal government. It is vital that you obtain a nonprofit consultant or an attorney experienced with the legal aspects of starting and operating a nonprofit. Find someone who can represent you on an ongoing, long term basis. Avoid using "incorporating" services as your sole nonprofit resource.
4. **Begin with a vision, clear purpose, and strategy for success.** The team you have assembled should help you identify the vision, mission, and purpose of the nonprofit organization you are creating. Every nonprofit should begin by developing a statement of purpose and program activities that describes its reason for existing as well as a description of its programs, and activities. A mission statement is best developed by meeting with potential clients, constituents, board members and other interested parties. This stage should include determining the type of organization that you will form (e.g., a charitable corporation under 501(c)(3) or another kind of nonprofit: member or not, corporation or unincorporated, association, or trust, etc.). Once a mission is established, your organization should select a name and reserve it with the Secretary of State.
5. **Avoid selecting your family or business associates to serve on your board.** Your board should be a resource to help transforming your vision into reality. Consider how the board can advance the mission of your nonprofit. The board should consist of individuals who administer organizational or technical expertise, fundraising experience, connections with charitable foundations or donors, and have a strong commitment to the vision of your nonprofit. It is recommended that each board be composed of 5 to 11 directors who will best represent your organization and the public that you wish to serve.
6. **Don't start without a plan.** Develop strategic and fundraising plans. Strategic planning will help you detail the steps needed to fulfill your organization's goals, assess your staff needs, and establish operational priorities for the upcoming year and beyond. Your strategic plan should include your organization's budget priorities, a list of potential donors, pre-established bookkeeping practices, and delineated fundraising activities (e.g., mailings, events, silent auction, raffles, etc.) Key features of a successful nonprofit include: (1) fundraising, (2) marketing, (3) internal operations, (4) programs, (5) volunteer development, and (6) community outreach.

7. **Don't operate as a nonprofit without the proper legal paperwork and recognition from the state and federal government.** Your nonprofit most likely will need to be incorporated, apply for federal and state tax exempt status, and register with other state government agencies.

Incorporating - A nonprofit corporation is created by filing articles of incorporation with your state's Secretary of State. A non-profit corporation is a corporation that does not distribute its income to members, directors, or officers. A nonprofit corporation may be created for any lawful purposes, which must be fully stated in the Articles of Incorporation. The Articles are typically quite brief since the law requires minimal information. Information should include: the name of the corporation, a statement of charitable purpose, the name, and the address of the corporation's initial agent for service and statutory IRS language.

Bylaws - Your bylaws will guide your organization's day to day operations. These should be drafted carefully and will require the assistance of an attorney experienced in nonprofit law. The Bylaws of the corporation set forth various corporate procedures and matters affecting the governance of the nonprofit corporation. Specifically, the Bylaws, in general terms, set forth the responsibilities of the directors and corporate officers, provides the number of directors, the manner of calling meetings of the directors, the maintenance of corporate records, the voting procedures, and other general corporate matters.

Employer Identification Number (EIN) and Opening a Bank Account - New businesses, including nonprofits, are required to obtain an EIN from the IRS. The number must be used on various federal tax returns and documents. Applications are made by submitting the Form SS-4, or by telephone at (800) 829-3676. The EIN must be filed as soon as possible. With your EIN, you will be able to open a business bank account and it will allow you to create the Articles of Incorporation, the Bylaws, and the Minutes of your Board of Directors.

Applying for tax exempt status - Not all nonprofit corporations are entitled to exemption from state or federal taxes. A nonprofit must meet federal and state requirements through an application process. Without a "Determination Letter" from the IRS granting nonprofit status, your donors cannot claim an income tax deduction. To receive 501(c)(3) tax-exempt status, your organization must thoroughly fill-out an IRS 1023 form and attach the Articles of Incorporation and Bylaws. Your board members' résumés are helpful, but not necessary. You should also consult your state's Secretary of State, a nonprofit attorney about the complete list of forms necessary to start and register your nonprofit.

8. **Don't start without being organized and fully aware of legal requirements.** The IRS conducts an extensive review of an organization before granting tax exempt status. Tax exempt status can be revoked if an organization fails to comply with federal requirements. The organization must be operated for charitable purposes. Income and benefits of the organization must serve those charitable purposes, rather than individuals involved with the nonprofit. The assets of an organization must be permanently dedicated to an exempt purpose. An organization cannot qualify if a substantial part of its activities include attempts to influence legislation or campaigns for or against a candidate for public office. When the IRS is thoroughly satisfied and all questions have been addressed in the Form 1023 (a process which may take up to four to six months), the IRS will issue a tax-exempt "Determination Letter". This letter grants tax-exemption for a preliminary (five-year) period to the nonprofit organization, identifying the type of nonprofit and all applicable limitations.