



**DC BIZ Chat Series**  
**Washington DC Economic Partnership**  
**November 8, 2017**  
**Starting or Growing a Nonprofit**

Office of Partnerships and  
Grants Services

*Executive Office of the Mayor*  
*Government of the District of Columbia*



# What Should I Consider What's My Why?

- Will you be filling a need in your community that is not being addressed by another organization?
- Will your organization provide enough additional services that justify another nonprofit?
- Will you be able to recruit board members and volunteers and raise funds?



# Do You and Your Team Have the Skills to Run a Non-Profit?

- Strategy, Vision and Management
- Communications and Networking
- Accounting, Human Resources, Legal Compliance and other Operations
- Service Delivery and Program Administration
- Fundraising and Donor Relations
- Technology, website administration, online fundraising management
- Board recruitment, management and relations
- Volunteer recruitment, coordination, appreciation



# What You Need To Know

- A nonprofit organization does not operate for the purpose of generating profits for private individuals.
- Prohibited from giving income to members, directors, or officers beyond expenses and employees' salaries.
- Does your organization qualify to become tax exempt?
- Cannot have purposes or activities that are illegal or violate fundamental public policy, i.e. may not engage in discrimination.



# Nonprofits in the District of Columbia

## All Nonprofits\*

501 (c) (3) Public Charities - 12,367

501 (c) (3) Private Foundations – 8,024

Other 501 (c) Nonprofit Organizations – 3,864

(civic leagues, chambers of commerce, associations, veterans organizations etc.)

\*[www.independentsector.org](http://www.independentsector.org)



## Qualifying To Become a 501(c) (3)

- Net earnings cannot benefit any private shareholder or individual.
- Lobbying or advocacy cannot be a substantial part of the organization's activities.
- Cannot participate in any political campaigning on behalf of or in opposition to any candidate for public office.
- Cannot operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose.

<https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>



# Alternatives to Starting a 501(c)(3)

- #1 Use a fiscal sponsor—an existing §501(c)(3) whose mission is to serve as an incubator for startup organizations
- For a fee, the fiscal sponsor serves as an umbrella organization providing accounting, tax filing, and other services to the startup
- Contributions to the fiscal sponsor for the benefit of the startup are immediately tax-deductible. Fiscal sponsorship gives a startup the chance to develop a track record before applying for tax-exempt status and approaching funders.
- #2 Advance your mission through another, existing non-profit organization. Would it be faster, easier and more efficient to contribute your skills to an existing program?



# What's Next? For Starting a Non-Profit or Opening a DC Office of an Out-of-State Nonprofit or Fiscal Sponsor

Domestic	Foreign (Out of State)
Step 1. File Articles of Incorporation with DCRA	Step 1. Obtain a <i>Certificate of Good Standing/Existence</i> from corporate registrar in state where originally formed.
Step 2. Pay \$80	Step 2. File <i>Foreign Registration Statement</i> with the DCRA's Corporations Division.
Step 3. Receive Certificate of Authority	Step 3. Pay \$80
	Step 4. Receive <i>Certificate of Registration</i> .





# What's Next (continued)

## IRS & DC Determination Letters

- Before a Non-Profit Corporation operates in the District, the organization must show proof that it has been granted tax-exempt status from both the federal Internal Revenue Service and the local DC Office of Tax and Revenue.
- Note: securing IRS approval can take over a year.



# What's Next (continued)

- Certificate of Occupancy - A nonprofit corporation operating from a premise address in DC is required to obtain Certificate of Occupancy (or lease agreement from landlord)
- Business Licensing – To solicit funds or to receive grants in the district, nonprofit corporations obtain a basic business license; Charitable exempt (\$0) or charitable solicitation (\$412.50)



# Resources to Help Get Through the Maze

## **DCRA Small Business Resource**

- One-on-One Sessions; group workshops; probono clinics; business forums

[www.dkra.dc.gov](http://www.dkra.dc.gov)

Jacqueline Noisette 202-442-8170

## **DC Bar ProBono Program**

- Provides legal assistance to community based nonprofits that serve economically disadvantaged populations

[www.lawhelp.org/dc/ced](http://www.lawhelp.org/dc/ced)

Regina Hopkins

202-737-4700, Ext.3376



# Resources to Help Get Through the Maze

## Center for Nonprofit Advancement

- Education, networking, advocacy, group buying  
Glen O'Gilvie, CEO  
[www.nonprofitadvancement.org](http://www.nonprofitadvancement.org)
- DC Office of Partnerships and Grant Services  
[www.Opgs.dc.gov](http://www.Opgs.dc.gov)



# OPGS Mission Statement

The Mayor's Office of Partnerships and Grant Services' (OPGS) mission is to enhance the capacity of District government agencies, community and faith-based organizations, and nonprofits to identify, apply, and secure resources that advance the Mayor's top public policy priorities.



# **Snapshot of Primary Operations**

- **Provide research and technical support on federal and other grant and resource-based opportunities**
- **Offer capacity building support to local nonprofit and faith-based organizations**
- **Facilitate multi-sector partnerships with District Government Agencies**
- **Administer the Mayor's Policies and Procedures Governing Donations to the District Government**



# Overview of Nonprofit Services

- Nonprofit and Faith-Based Capacity-Building
- Monthly workshops during the year, i.e. grant writing workshops, doing business with District Government Agencies
- Grants Information Resource Center (GIRC)
- Weekly Funding Alert Newsletter



# Funding Opportunities and Resources

## FUNDING ALERT



### **Government of the District of Columbia**

Muriel Bowser, Mayor

441 4<sup>th</sup> Street, NW Suite 707N

Washington, DC 20001

<http://opgs.dc.gov>

***Register to receive Funding Alert at***

<https://opgs.dc.gov/service/funding-alert-information>





# Grants Information Resource Center (GIRC)



For GIRC appointments call 202-727-8900



# Food For Thought

## Where Do Nonprofits Get Their Income?

Multiple Streams of Income - Mean More Stability

### For example

Grants for services, capacity building

Contracts for mission-related services

E.g., tuition from students

human service contracts from the government

Bequests

Major donors' donations

Small dollar donors

Conference revenue

Unrelated business income

Sale of publications

Event-related revenue, possibly including auction items

Designations through United Way, Combined Federal Campaign, DC One Fund

Visit <https://www.thebalance.com/where-do-nonprofits-get-their-revenue-2502011> for more information



# Questions





# OPGS Contact Information

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- Website: <http://opgd.dc.gov>