Spartanburg County Foundation

Steps to Consider When Starting a Nonprofit

Below are some steps to consider when launching a nonprofit organization:

1. **Do Your Research.**
   It's important to research the need and have data to back up your reasoning for starting a new nonprofit organization. Who will you be serving? What is the need for this service?

2. **Avoid Duplication in Services.**
   Make sure the work you are doing is unique and is not duplicating services. Who else in the community, if anyone, is working to meet this need?   Think about your value proposition and what makes your idea different from others.

3. **Meet with leaders and research other organizations around the country that are doing similar work.**
   Researching what works and what does not work will save you a lot of time and effort, and help to position you for success. Who is considered to be the leader in this type of work? How do they do what they do successfully? What is their model? It may take some time to get this information, but it is well worth the effort and will save you time in the long-term.

4. **Build A Solid Plan.**
   You will need to draft your mission statement, develop your business plan, create by-laws, and develop your board.

5. **Incorporate Your Nonprofit.**
   You must file South Carolina Nonprofit Articles of Incorporation. Visit the South Carolina Secretary of State's website, www.scsos.com, for more information.

6. **Get a Federal Employer Identification Number (EIN).**
   Your EIN is a nine-digit number assigned by the Internal Revenue Service (IRS) that is used for filing tax returns, opening a bank account, and hiring employees. Visit the South Carolina Secretary of State's website, www.scsos.com, for more information.

7. **File for 501(c)(3) Tax-Exempt Status.**
   Applying for 501(c) tax exemption is often the most complex and time-consuming steps in setting up a nonprofit. It is also one of the most important, as obtaining tax exemption is what is enables an organization to successfully raise funds, apply for grants, be exempt from IRS income tax, and enjoy a variety of other benefits exclusively available to nonprofits. Visit the IRS website, www.irs.gov/charities, for more information.

RESOURCE
Candid is a national clearing house of resources for nonprofit organizations and funders. The following link, through Candid Learning, will take you through detailed step-by-step instructions on starting a nonprofit and has a free assessment you can take to build your skills (https://learning.candid.org/resources/knowledge-base/starting-a-nonprofit/).

Together SC, the association of nonprofit organizations. The following link will take you through additional points to consider before starting a nonprofit (https://www.togethersc.org/before-you-start-a-nonprofit).