

## How to Start a California Nonprofit Organization



The first thing to consider when you are thinking about starting a new nonprofit is whether it is really needed. The National Center for Charitable Statistics reported that there are over one-hundred-sixty-three-thousand nonprofits in California. How will the public benefit from your efforts?

### **Collaboration**

You may be able to make a bigger impact by working with an organization that is already supplying services in an area you are contemplating entering. Working with an existing organization may prevent you from diverting crucial funds and volunteers from a group that is already in operation. This would dilute the positive effects received by the very people you are trying to help the most.

Another option to consider is obtaining a fiscal sponsor for your endeavor. This will allow you to work under the umbrella of an established Internal Revenue Code (IRC) 501(c) corporation. Fiscal Sponsors permit your group to receive tax-deductible donations and share resources in common pursuits through their corporate status.

### **Legal Structure and Issues**

California provides four main structures for nonprofits as follows:

Religious Corporations are used exclusively for religious purposes such as churches and Spiritual

Centers.

Public Benefit Corporations are organized for charitable pursuits such as civic leagues and social welfare groups.

Mutual Benefit Corporations are used for specific causes. They may not exist for public, charitable or religious purposes. Typically they do not extend Federal or California tax exempt benefits to their donors.

Mutual Benefit Common Interest Development (CID) Corporations manage common interest developments like homeowner's associations. They do not have to be incorporated to operate in California.

### **Consult with Professionals**

We highly recommend having experienced professionals such as attorneys, Certified Public Accountants (CPAs) and Human Resource (HR) experts involved from the very beginning. They can help prevent costly mistakes that could slow down or even stop your fledgling nonprofit from getting off the ground.

Even though many organizations can be structured as nonprofits, most use proven business systems and processes to facilitate their growth. Pacific Crest Group (PCG) is happy to help you get started on the right foot. A good resource to review is "[Before You Even Start Up Your Startup – Back to Basics](#)." This PCG posting provides useful information on how to best focus your energy during your formative stages.

### **Special Event**

Pacific Crest Group is a founding member of the Marin Business Forum. Our next meeting is Thursday, March 24, 2016 from 5 PM to 7 PM in the Drake's Landing Community Room located at 300 Drakes Landing Road in Greenbrae. Lester Rosen, Esq. will provide a number of real-world case studies where employers stepped on legal landmines that could have been easily avoided with a safe hiring program. Please go to the [Events](#) page to register for this event.

### **How We Can Help You**

PCG provides professional services that keep your business focused on your critical objectives. We provide strategic Accounting and Human Resource (HR) services created specifically to help you meet your goals. Through exemplary customer service, clearly defined policies and procedures as well as a forward looking perspective, we provide the outsourced solutions that your business needs to grow. A Pacific Crest Group professional is happy to meet with you to discuss solutions for your unique requirements designed to maximize all of your

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business opportunities.