

# NONPROFIT PROPOSAL

# START A **NONPROFIT**



Starting a nonprofit is a team effort. We created this proposal so you can share information on our services with your co-founders and Board members.

## PROPOSAL **OVERVIEW**

Process	PAGE 3-4
Timeline	PAGE 5
About 501(c)	PAGE 6
Packages	PAGE 7
About Us	PAGE 8-9

## GET **STARTED**

We want you to be comfortable with what you can expect from our service. Please call us if you have any questions.

When you're ready to begin, getting started is easy. Order online or by phone. We collect payment up-front and ask you to sign our service agreement. Then we collect the information we need to begin your incorporation. Most of this information you already know, such as the desired name of your organization and the names of the incorporator(s).



# STARTUP PROCESS

After you sign up, we connect you with a nonprofit specialist who will guide you through the entire process. Before we get started, your specialist will have an initial phone conversation with you to get to know you and your organization. Communicate directly with your filing specialist by phone and e-mail for prompt support anytime.

## STEP 1

- Name availability check
- Incorporation documents with 501(c) provisions

Incorporation establishes the legal entity of your nonprofit corporation.

Incorporation secures your organization's name and begins liability protection for directors and members.

We check if your desired corporate name is available. If not, we help you find an alternate.

Next, we request some basic information to help us prepare your incorporation documents. We include the language required by the IRS for 501(c) exemption. You have the opportunity to review your articles of incorporation before we submit them to the state.



" I enlisted Harbor's service to register a non-profit organization. Their responsiveness and realistic understanding of non-profit dynamics in today's world, particularly fundraising in today's economic atmosphere, gave the organization a great start."

- John, The Alumni Society of San Sebastian



## STEP 2

- Bylaws
- Corporate record book, seal, and templates
- Conflict of interest policy

Internal corporate records define how your organization will run itself.

Your specialist prepares your bylaws, policies, and other documents required by the IRS for 501(c) approval. These documents are not only important for your IRS application but also governing your nonprofit.

## STEP 3

- Federal EIN
- Accountant consultation and review
- 501(c) Application

Obtaining your IRS Determination Letter is a critical milestone in setting up your nonprofit.

Obtaining an EIN is required prior to applying for 501(c). We get this from the IRS for you.

Recognition of 501(c) federal income tax exemption is the most costly and time-consuming step of setting up your nonprofit - see the page "About 501(c)" for details.

## STEP 4

- ComplianceAdviser™
- Fundraising registration
- First year annual report
- Registered agent

Learn how to maintain your nonprofit in compliance with state and IRS expectations.

We help you understand state and IRS procedures including annual reports, form 990 returns, annual charitable solicitation filings, and records-keeping. We provide one-on-one coaching and support for your organization for one year. This service can be renewed in subsequent years.




# STARTUP **TIMELINE**

Get your organization up and running quickly and smoothly. We produce quality work efficiently. Many of the following tasks occur in parallel:



**INCORPORATION**  
Takes 1 day -1 month

Preparing and submitting your incorporation documents usually takes 1-2 days. State processing times vary: in some states we can file online same-day and in others it takes 1+ month to process. We'll help you navigate state expedite options and state rush fees.




**501(c)**  
Takes 2 weeks -3 months

IRS processing time for 501(c) applications varies. Current processing time is 2 weeks - 3 months on average.



**RECORDS**  
Takes 1 day

Your specialist prepares your bylaws, policies, and other documents required by the IRS for 501(c) approval. These documents are not only important for your IRS application but also governing your nonprofit.



**COMPLIANCE**  
During your first year

After your 501(c) application is submitted, our initial coaching session introduces you to nonprofit compliance. You will create a compliance calendar to guide your activities. Your coach checks-in on your progress and supports you through your first year.



**FUNDRAISING**  
Takes ~2 weeks

Charitable registration provides the legal authority to solicit donations. Our service files registration or exemption in one state. This typically takes 2 weeks to process.

We are unable to guarantee any of the turnaround times stated in this proposal. Our work is dependent on timely and accurate input from you, on state processing times, on IRS processing times, and other factors beyond our control.

# ABOUT 501(c)

Assembling your 501(c) application is one part science and one part art.

## APPLICATION

A successful application for 501(c) recognition begins with the [articles of incorporation](#). We include the required 501(c) provisions for you. Crafting your nonprofit purpose statement is also important at this stage.

Your specialist prepares your bylaws, policies, and other internal records required by the IRS for 501(c) approval.

Form 1023, the application for [501\(c\)\(3\)](#) tax exemption, contains several major components that we prepare for you. Some of these important pieces include a narrative description of activities, financial projections, supporting documents, and required schedules.

We will determine your required [IRS user fee](#). The fee ranges from \$275 to \$850 depending on the specifics of your application. You will remit payment for the fee once your application is ready.

We [GUARANTEE](#) 501(c) approval.

## RESPONSE

Your [IRS Determination Letter](#) will provide ruling on:

- 1.) Recognition of exemption from federal income tax
- 2.) Recognition as a 501(c)(3) public charity vs. private foundation
- 3.) Whether donors may make tax-deductible contributions

The time to obtain [501\(c\)](#) approval from the IRS currently ranges from 2 weeks to 3 months, but can take longer.

The IRS may request [additional information](#). We will let you know what additional work is needed and support you through this process.

501(c) recognition is [retroactive](#) back to your date of incorporation (within 27 months). While your 501(c) application is pending, you may file Form 990 and may disclose to donors that you are in the process of applying.



# OUR PACKAGES

Use our online calculator at: [www.HarborCompliance.com/nonprofit-package-selection.php](http://www.HarborCompliance.com/nonprofit-package-selection.php)



Work one-on-one with a specialist who has personally set up hundreds of nonprofits. Your specialist completes each step with your review.



### Tax-Exempt Package

Services to incorporate your nonprofit and become tax exempt.



### Compliance Package

Formation services plus ongoing assistance to stay compliant.

<b>Name Availability Search</b>	✓	✓
<b>Nonprofit Articles of Incorporation</b>	✓	✓
<b>Nonprofit Bylaws</b>	✓	✓
<b>Federal EIN</b>	✓	✓
<b>501(c) Exemption</b> <small>The IRS requires a one-time application fee of \$275, \$400, or \$850. We will determine your fee and invoice you prior to filing.</small>	✓	✓
<b>Nonprofit Records Kit</b>		✓
<b>Initial Report</b> <small>As required to complete your incorporation.</small>		✓
<b>Publishing</b> <small>As required to complete your incorporation.</small>		✓
<b>Annual Review</b>		✓
<b>Nonprofit Compliance Adviser</b>		✓
<b>Annual Fundraising Registration</b>		✓
<b>Managed Annual Report Service</b>		✓
<b>Registered Agent</b>		✓
<b>Service Fees</b>	<b>\$1,395</b>	<b>\$2,495</b>

# IN THE COMMUNITY

The following organizations have linked to our trusted resources on starting a nonprofit:



I fully recommend Harbor Compliance for nonprofits. They go the extra mile for their clients.

- Ursula  
The Opening Path

“ I am writing to recommend Harbor Compliance and the bright competent young professionals who have created a knowledgeable, personable and professional approach to helping people like me. I contacted them early in 2013, as I was starting a nonprofit and needed assistance in applying for 501(c)3 status. They have a good understanding of the requirements and these kind-hearted professionals genuinely wish to assist people who have a dream but are stumped by the legal complexities involved.

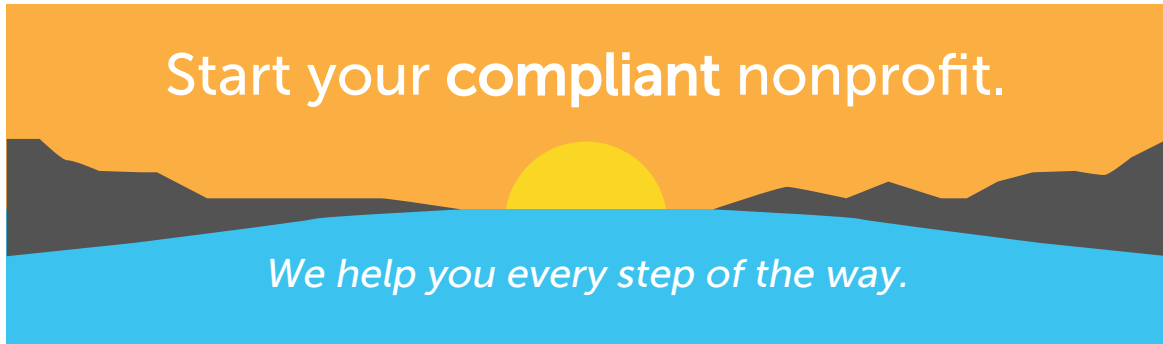
I was impressed by their knowledge of what needed to be done and by their attention to detail such as recommending changes to my web page to comply with regulations. They have provided easy-to-access forms, extensive knowledge and experience in the process and requirements. Their fees are reasonable, especially given the level of competence they bring to the table. ”

- Ursula, The Opening Path





# ABOUT US



We are more than a nonprofit document filing service, we're a long-term partner committed to helping you succeed. We started Harbor Compliance because we felt that existing services failed to provide adequate ongoing support to help you maintain your nonprofit.

Many companies will gladly set up your nonprofit but will not help as your nonprofit grows and evolves. We set out to change that and be a dependable resource for the life of your organization.

## OUR EXPERTISE

Our entire business is incorporation and compliance, not a wide range of legal services. We focus on what we do best.

## WHAT WE DO

- Incorporation
- EIN
- 501(c) Application
- Bylaws
- Records
- Fundraising registration
- Compliance

## GET STARTED

We want you to be comfortable with what you can expect from our service. Please call us if you have any questions.

When you're ready to begin, getting started is easy. Order online or by phone. We collect payment up-front and ask you to sign our service agreement. Then we collect the information we need to begin your incorporation. Most of this information you already know, such as the desired name of your organization and the names of the incorporator(s).

# HARBOR COMPLIANCE

Harbor Compliance is not an accounting or law firm and does not provide tax, financial, or legal advice.

© 2015-2016 Harbor Compliance Corporation