Simple Yet Powerful Strategies for Success. The "Nuts & Bolts" of Forming a Nonprofit Organization

Cheri S. Hill
"Wealth Protection Diva"
President & CEO, Sage International, Inc.

Cheri S. Hill, "Wealth Protection Diva" has been a successful entrepreneur/business owner/premier business strategist for the past 20 years as President & CEO of Sage International, Inc. which develops strategies that utilize Corporations, Limited Liability Companies, Limited Partnerships and Trusts (in all 50 states) to their greatest potential for maximum business and personal wealth building. These entities when properly formed by Sage serve as the first layer of your Wealth Foundation!

With over 30,000 national/global clients Cheri has mastered the art of teaching entrepreneurs how to properly structure their business and personal assets to safely grow, protect and leverage their hard-earned wealth! Named one of the top 5 Most Influential Women of Northern Nevada and featured in the Reno Gazette Journal's "Captains of Industry", she speaks from the heart about the joys and frustrations of being a business owner. Her insights are motivating. Her frankness inspiring. She offers a profound message about the importance of putting the right foundation under your dreams.

Her areas of expertise are multiple because of her strong sense of business. Her understanding of every facet of what it takes to create and maintain a successful business are current as she keeps up with business changes and trends that matter. This status combined with exceptional presentation skills has allowed Cheri to become one of the most sought-after speakers to business owners.

- Best-selling author of ***Incorporate & Get Rich!***
- Host of the weekly "**Cheri Hill Radio Show**" on 99.1FMTalk radio (www.991FMTalk.com)
- Host of the highly acclaimed monthly SageAdvisersTeleseminar Series that covers every business topic ranging from the entrepreneurial mindset thru successful exit strategies and everything business related in between.
- Certified NxLeveL Instructor for the Nevada Small Business Development Center, instructing the popular 13-week course, ***NxLeveL® for Entrepreneurs***, each year to local business owners looking to grow their business successfully.
- Founding member of the Reno-Tahoe Chapter of eWomenNetwork
- Serves on the Executive Board for The Chamber: Reno ▪ Sparks ▪ Northern Nevada
- Serves on the Executive Board of Entrepreneurship Nevada, a nonprofit organization established to create an Economic Development Collaborative Hub within the state.
- Sponsor for the Alliance of Nevada Nonprofits (ANN)

Sage International, Inc. 1135 Terminal Way #209, Reno NV 89502 ♦ corpinfo@sageint.com ♦ 800-254-5779 ♦ www.sageintl.com

My Why….

INSPIRING OTHERS TO WIN

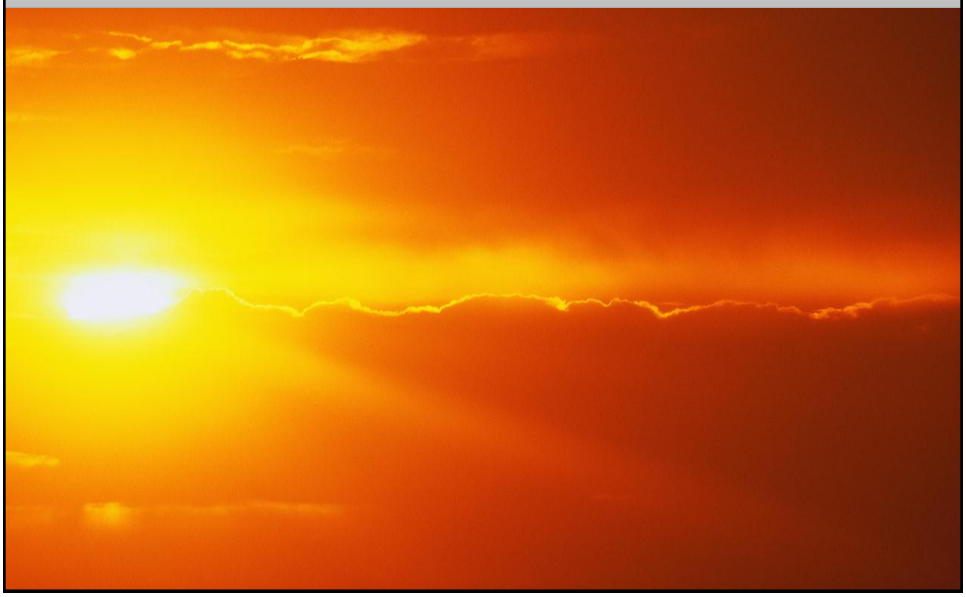
Why People Give To Charity

- A desire to support worthwhile causes
- A belief that those who have been financially successful have a responsibility to share their good fortune
- A desire to help meet critical needs in their communities
- A desire to help organizations that have benefited them
- A desire to set an example for their children
- A desire to fill in the gaps left by government cutbacks

AMERICANS WANT TO MAKE A DIFFERENCE!

Soul Search – Determine if you should.

Soul Search – Should you form a Nonprofit?



What Is a Nonprofit?-Purpose

Every entity exists for a reason. A for-profit company exists to ultimately benefit the owners.

A nonprofit organization has no owners. Instead, it is formed to ***promote or advance a specific purpose***. The earnings of the nonprofit must be expressly dedicated and exclusively devoted to the support of the benevolent purpose or goal as stated in the Articles of Incorporation. That statement of purpose is essential not only for establishing itself as a nonprofit, but also for obtaining tax-exempt status under federal (and state) law.

It is no longer enough for nonprofits to do "good work." Funders, policy makers, board members, and others are increasingly demanding that nonprofits explain what value they provide a community and what change they exist to create.

Questionnaire for Evaluating Charities

- ☐ What problem does the charity seek to address?
- ☐ Does it fall within the charitable purpose(s) of our family charitable philosophy?
- ☐ Can I make a meaningful donation to assist the charity?
- ☐ Will the donation be enough?
- ☐ Does my gift extend for more than 1 year?
- ☐ Is the charitable organization efficient?
- ☐ Is the charity worthy of receiving the funds?
- ☐ Are there any other charities that address the same need but are worthier?
- ☐ Does the charity have a current tax-exempt status?
- ☐ Is this charity run by experienced people with a track record for getting things done?
- ☐ Does the charity spend most of its money on the problem at hand rather than on administration, promotion, or collection of funds?
- ☐ Can I monitor my gift?
- ☐ Will I be able to follow through to see that my donation is used as promised?

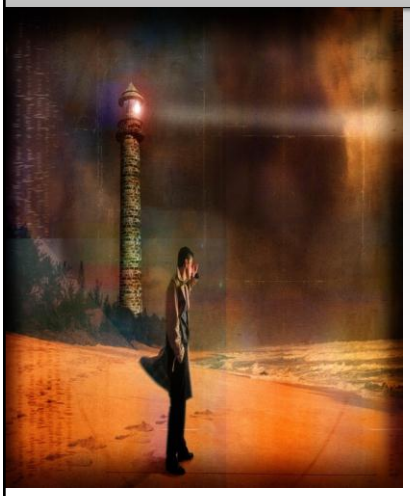
Retooling Nonprofits

Activist and fundraiser Dan Pallotta calls out the double standard that drives our broken relationship to charities. Too many nonprofits, he says, are rewarded for how little they spend -- not for what they get done. Instead of equating frugality with morality, he asks us to start rewarding charities for their big goals and big accomplishments (even if that comes with big expenses). In this bold talk (Ted.com), he says: Let's change the way we think about changing the world.

The Networked Nonprofit

Wisdom says that nonprofits must be large and in charge to do the most good. But some of the world's most successful organizations instead stay small, sharing their load with like-minded, long-term partners. The success of these networked nonprofits suggests that organizations should focus less on growing themselves and more on cultivating their networks.

Business Plan

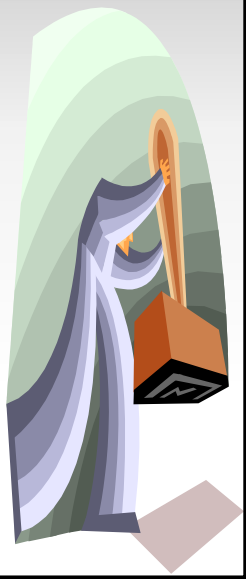


"Business planning is a lot cheaper and more cost effective than trial and error."

- Executive Summary includes a Mission statement, description of the board of directors, types and number of employees needed, location and where services will be provided, description of those services, funding sources, summary of market research you may have conducted.
- Services or Products to be offered. Description of service or product, what problem do they address? What the objectives are for the services.
- Results of your needs analysis. Explain the documented need for your service or explain a new need you will address. Who else provides this service or a similar one?
- Who are your clients...who will you be helping? Where are they located? How many are there?
- Organization & Management. How will you organize? Create an organizational chart. Develop staff profiles for the major players such as the CEO and the program manager. Will you need volunteers?
- Marketing and Sales Strategies. How do you plan to communicate to your target audience. Online, Offline etc? Better create a Plan!
- Financials. Where will you get the money for the startup? Grants, loans, fees? Prepare an annual budget showing revenue and expenses.

Incorporation

- Choose a business name that is legally available in your state.
- Prepare and file "articles of incorporation" with the state's corporate filing office, and pay a filing fee.
- Obtain Federal Tax Identification Number
- Create bylaws that will dictate how the corporation is run.
- Appoint an initial board of directors. (Establish Conflict of Interest Policy)
- Hold the first meeting of the board of directors.
- Apply for federal and state tax exemptions.
- Apply for any licenses or permits that your corporation will need to operate in your state and local municipality.



Filing for Tax-Exempt Status

- Drafting and filing Form 1023 (Application for Recognition of Exemption) and related statements.
- The IRS filing fee is currently $850 if you expect to receive revenues of $10,000 or more per year. If less than $10,000 filing fee is $500.
- Once application is filed, the IRS typically takes 3 weeks to acknowledge receipt of the application. The IRS then screens the application and pushes into one of three groups (1) Automatic Approval (approx 8 weeks) , (2) Further questions to be handled by revenue agent , (3) Extreme follow-up needed – case and application transferred to local nonprofit IRS Revenue Agent (months).
- Fundraising – If the organization files its Form 1023 within 27 months of the date the entity is legally formed, and is ultimately successful in obtaining tax-exempt status, the IRS's determination of exemption will be retroactive to the corporation's date of formation.

Board of Directors

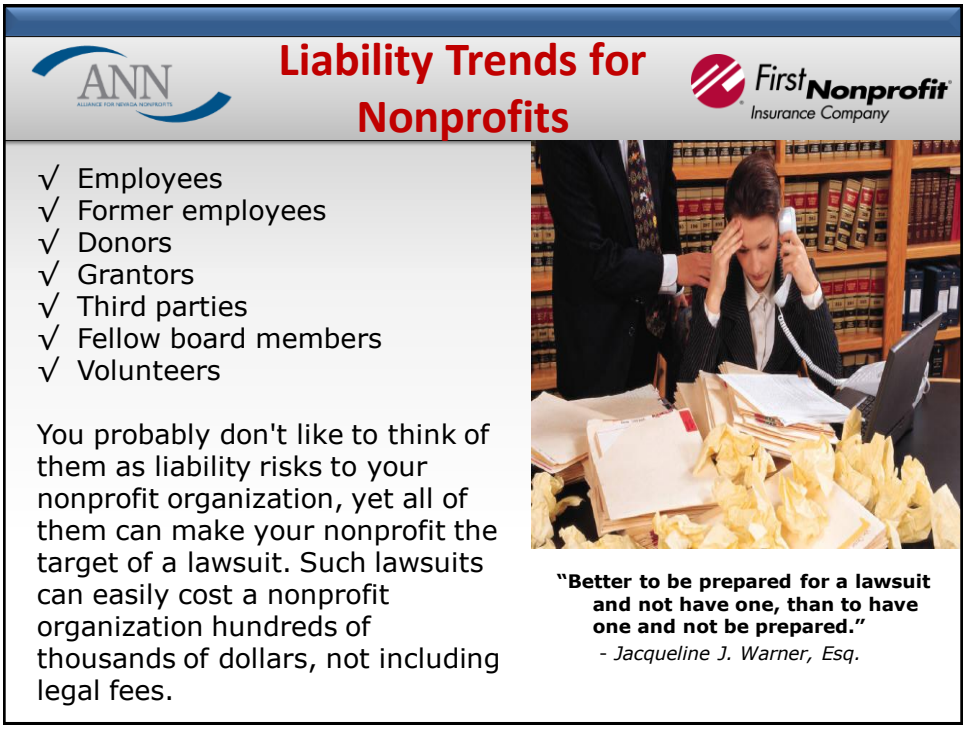
A strong organization requires a groundbreaking board that brings...

- ♥ Leadership, investment and excitement
- ♥ Strategic Direction
- ♥ Money in the door
- ♥ Connects the organization to key decision makers
- ♥ Skills, talents, experience,knowledge

Finding directors that will exercise the best mix of responsible oversight and appropriate level of control means locating and recruiting people with the best skills, as well as the wisdom, honesty, and spirit of public service to guide your organization through the good times and the bad.

Creating the Financials

- ♦ **Set up a Proper Chart of Accounts**
- ♦ **Build Financial Literacy**
- ♦ **Get Expert Advice**
- ♦ **Develop Excellent Record Keeping Practices**
- ♦ **Set up Controls**
- ♦ **Cash Is King**
- ♦ **Focus on Quality**
- ♦ **Annual Budget**



1. Tap Into Volunteers' Motives

Volunteers

STEPS TO MINIMIZE RISK:

1. Written Volunteer Policies and Procedures
2. Job Descriptions
3. Volunteer Applications
4. Screening
5. Training
6. Management
7. Dismissal of Volunteers
8. Grievance Procedure

ENGAGEMENT:

1. Tap Into Volunteers Motives
2. Tell Volunteers What You Expect
3. Tap Into Your Volunteers Talents
4. Make Volunteering Convenient
5. Make Volunteering Fun
6. Show Appreciation

Chart a Strategic Direction

Strategic planning is indeed different from business planning. Strategic plans are the road maps that guide an organization forward, answering questions about mission and values as well as what results the organization wants to achieve in the area of program, management/operations, sustainability and governance. Strategic plans set the course.

Having a plan for the future will attract more support, increase staff and board investment, and ultimately create more social change.

Q&A

Getting Started

SAGE INTERNATIONAL, INC. OFFERS:

√ FREE 30 MINUTE INITIAL CONSULTATION

501(C)3 Nonprofit Service includes:

- Pre-clearance of Corporate Name with State
- Prepare and file the Nonprofit Articles of Incorporation with required IRS approved wording
- State Filing Fee
- Minute Book: Corporate Seal, Bylaws, Organizational Meeting Minutes
- Secure Federal Tax ID Number with IRS
- UPS Ground Shipping of Minute Book
- Nonprofit Checklist on what needs to be done next
- Toll-Free Customer Support 800# to answer your Questions

CPA SERVICE

✓ 1-Hour Initial Consultation with CPA and follow-up meetings (submission through IRS response) to review all documents and address any resubmission requirements, if necessary.

✓ Preparation (Review of checklist, documents, preparation of financial forecast and filing of Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code). *DOES NOT INCLUDE IRS 1023 APPLICATION USER FILING FEE*

✓ Verify state specific information with regards to State Tax Exempt filings, when necessary.

✓ Review and advise regarding accounting for nonprofits including appropriate application of accounting software.

SPECIAL BONUSES included in minute book:

SageAdvisers™ Teleseminar CDs:

►Non-Profit Grantwriting for Start-ups with Special Guest Phil Johncock - You will be amazed at the content, resources and information supplied on these fantastic CDs.

► Non-Profit Strategies for "Counting the Beans" Effectively with Special Guests Dan Forbush, CPA & Brent Forbush, CPA

SAGE INTERNATIONAL, INC.
1135 TERMINAL WAY #209
RENO NV 89502
800-254-5779 ♦ 775-786-5515
WWW.SAGEINTL.COM
CORPINFO@SAGEINTL.COM

Thank You!