How to Start Your Own Humanitarian Nonprofit Organization

Face the Challenge desires to see others, who feel so led, to establish their own charitable nonprofit organizations. They, therefore, offer the following guidelines for getting started. This information will not be all that you need to know, or may not be in the order that you need to proceed—by no means—but perhaps these resources will initiate real actions for whatever you hope to accomplish through the vehicle of a nonprofit organization. Seek out reliable and committed people knowledgeable about nonprofit organizations who can provide, for example, legal, administrative, financial, promotional, and pastoral counsel. Initially it will be necessary to work closely with them to launch your organization. As your organization gains momentum, or perhaps changes direction in some way, be sure to keep all your consultants informed so they can continue to give good advice. You will also be able to find helpful resources at such places as the bookstore, library, and internet.

Basic Checklist for Starting a Nonprofit:

Draft Articles of Incorporation and submit to the Secretary of State Apply for a 9-digit Employer Identification Number (Form SS-4) as a Nonprofit organization Apply for Recognition of Exemption under Section 501 (c) (3) of the Internal Revenue Code (Form 1023) Draft Bylaws Establish a Board of Directors From the Board of Directors, elect a President, Vice President, Secretary, Treasurer, etc. Establish a Board of Advisors, if desired Appoint an Executive Director and Assistant Executive Director Establish a Statement of Faith for the Board Members, if applicable Develop a Mission Statement Establish a Designated Office, mailing address, phone and FAX numbers, and e-mail addresses Create an Organizational Logo and order Letterhead and business cards, if desired Obtain a rubberized Corporate Seal with the Organization Name on it Keep financial records of the Organization using standard computer software, back up all records Consider liability insurance Apply for Federal Tax Exemption as a 501 (c) (3) Nonprofit Organization (Form 548) sent to:

Internal Revenue Service District Director Department of the Treasury e.g. 1100 Commerce St. or P.O. Box 2508 (as of 10/00) Dallas, TX 75242-0000 Cincinnati, OH 45201 (214)-767-6023 1-877-829-5500 Toll free 8:00 AM-9:30 PM EST

You will be assigned a file folder number and a case number by a Customer Account Services Representative. Apply for State Tax Exemption at:

e.g. State of........... Taxpayer Service Division Department of Revenue Street Address City, State, Zip Code Required: Federal Determination Letter Latest financial statements Articles of Incorporation Stated specific purpose and function of Organization Current Secretary of State Certificate Apply for City Tax Exemption from Sales, Use, and Occupational Tax, if desired at:

e.g. Manager of Revenue City of.......... & County of......... Department of Revenue Treasury Division--Tax Compliance/Audit Section Street Address City, State, Zip Code File a Federal Income Tax Return (Schedule A--Form 990EZ), due May 15th each year for Nonprofit Organizations to (for e.g. Colorado Nonprofits):

Department of the Treasury Internal Revenue Service Ogden, UT 84201

Submit (e.g. Biennial) State Report of Nonprofit Corporations, as required by Individual states to:

e.g. Department of State Corporate Report Section Street Address City, State, Zip Code
Checks are payable to: Secretary of State

Join State Association of Nonprofit Organizations, if valued by your organization. Develop a promotional strategy, including a website, establish a database for a mailing list, back up all records, send out an Organization newsletter, e.g. one to six times per year. Send receipts for cash and gift in kind donations, keep a database of all donations. Keep records of Organization Supplies Inventory. Set regular Board Meeting dates, a minimum of once a year; optimally, at least quarterly. Keep record of the business discussed at all meetings. Consider having annual Board Member retreats. Set short- and long-term goals of the Organization with the Board Members. Evaluate the function and effectiveness of the Organization regularly.

A Common Purpose

The motivation of establishing some humanitarian nonprofit organizations is based on some common belief system held by its Board Members and volunteers.

Although not required by a government authority in order to establish yourselves as a nonprofit organization, each Face the Challenge Board Member as signed the following. Perhaps such a signed statement can be a guide as you begin your own nonprofit organization.

Statement of Faith

Face the Challenge bases its ministry on the following statement of faith: We believe the Bible to be the inspired, infallible Word of God.

II Timothy 1:15-17.

We believe there is one God, eternally existent in three persons, the Father, Son, and Holy Spirit. Matthew 28:19, Ephesians 4:4-6.

We believe in the deity of the Lord Jesus Christ, in His virgin birth, in His sinless life, in His miracles, in His atoning death, in His bodily resurrection, and in His imminent return in power and glory. John 1:1-4; Matthew 1:23; Philippians 2:5-11; Hebrews 1:1-4 & 4:15; Acts 1:11 & 2:22-24; Corinthians 15:3-4.

We believe in the resurrection of the saved to eternal life and the Resurrection of the lost to eternal punishment. Revelation 20:11-15; I Corinthians 15:51-57.

We believe in the spiritual unity of believers in Christ. Ephesians 1:22-23; Corinthians 12:12 & 27.

We have read the above Statement of Faith. By my signature I acknowledge my full agreement of these beliefs. If at any time I find myself no longer subscribing to all or any of these precepts, I will advise the Board of Face The Challenge, Inc.

Signed _______________________________

Date ________________________________

Board Member

INCORPORATION

A nonprofit organization will need Articles of Incorporation, a legal document drawn up by an attorney, called an Incorporator.

The cover letter should appear something like:

Include current date here Secretary of State Corporate Division Street Address State Capitol, State Zip Code

RE: Filing of Article of Incorporation: Name of Nonprofit
To Whom It May Concern:

Enclosed please find duplicate original Articles of Incorporation of Name of Organization for filing with the office of the Secretary of State. Also enclosed is a check in the amount of (e.g. $50.00) in payment of the filing fee. If you find the enclosed to be proper, please issue the Certificate of incorporation and return it to me at the address above.

Sincerely, Signature of Incorporator _______________________________

Typed name of Incorporator **Note: The following Articles of Incorporation are meant solely to be a guide. Please consult with your legal counsel to customize your own nonprofit’s incorporation legal documents.

ARTICLES OF INCORPORATION NAME OF ORGANIZATION, INC. (*Example is based on Colorado Law*) The undersigned natural person hereby establishes a nonprofit corporation pursuant to the ´Name of State ´Nonprofit Corporation Act and adopts the following Articles of Incorporation:

ARTICLE I NAME The name of the corporation is: ________________________, Inc.

ARTICLE II DURATION
The corporation shall have perpetual existence.

ARTICLE III PURPOSES AND POWERS
1. Purposes .The corporation is formed exclusively for charitable, literary, scientific and educational purposes within the meaning of Section 01(c) (3) of the Internal Revenue Code of 1986 as amended (“the Code”). The purposes shall include, but not be limited to ´(e.g. providing medical help to the poor and needy in e.g. the United States and developing countries in order to demonstrate Christ’s love).

2. Powers .In furtherance of the foregoing purposes and objects (but not otherwise) and subject to the restrictions in Section 3 of this Article II, the corporation shall have and may exercise all such powers as are expressly or implied conferred upon nonprofit corporations organized under the laws of the, e.g. State of Colorado, except as limited by the Articles of Incorporation and including, without limiting the generality of the foregoing, receiving, maintaining and dealing with in any manner whatsoever, real or personal property or a fund or funds of real or personal property or fund or funds of real or personal property, and using and applying the whole or any part thereof, including income therefrom; provided, however, that such use be exclusively and irrevocably applied to the charitable purposes of the corporation.

3. Restrictions Upon the Powers of Directors and Others . A. No part of the net earnings of the corporation shall inure to the benefit of any director or officer of the corporation or any other private individual (except that reasonable payments may be paid for expenses incurred on behalf of the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any other private individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the corporation or otherwise. Any and all property, both real and personal, which may be owned by the corporation at any time, is and shall always be exclusively and irrevocably dedicated to the charitable purposes of this organization. To substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation as defined in Section 501 (h) of the Code. The corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

B. No part of the assets of the corporation shall be contributed to any organizations whose net earnings or any part thereof inure to the benefit f any private individual or any substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation.
C. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501 (c) (3) of the Code (or the corresponding provisions of any future United States Internal Revenue law) or (ii) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Code (or the corresponding provision of any future United States Internal Revenue law).

D. Upon dissolution of the corporation, the assets of the corporation shall be disposed of according to the procedure outlined in the e.g. Colorado) Name of State Nonprofit Corporation Act. After the liabilities of the corporation have been discharged or provided for, the corporation’s remaining assets shall be disposed of by a distribution to an organization or organizations then qualified as exempt from taxation under section 501 (c) (3) of the Code or its successor provision, or to the federal government, or to a state or local government, for a public purpose, as determined by the then acting Board of Directors. If such determination cannot be made for any reason, such determination shall be made by the District Court of the county in which the principal office of the corporation is located.

ARTICLE IV INITIAL BOARD OF DIRECTORS
The control and management of the affairs of the corporation and of the disposition of its funds and property shall be solely vested in a Board of directors. The number of directors (which may not be less than three), their terms of office and the manner of their selection and election shall be determined according to the Bylaws of the corporation from time to time in force.

The initial Board of Directors and their addresses shall be as follows for example):

Name, President Address City, State, Zip Code Name, Vice President Address City, State, Zip Code

Name, Secretary Address City, State, Zip Code

Name, Treasurer Address City, State, Zip Code etc. etc.

ARTICLE V REGISTERED OFFICE AND REGISTERED AGENT
The address of the initial registered office of the corporation is: Street, City, State, Zip Code. The name of its initial registered agent at such address is: Full Legal Name of Organization President.

ARTICLE VI MEMBERS AND DIRECTORS
The corporation shall not have members. The entire voting power for all purposes shall rest in the Board of Directors. Each director shall be entitled to one vote on each matter submitted to a vote. The corporation shall have no capital stock.

ARTICLE VII BYLAWS
The initial Bylaws of the corporation shall be adopted by the Board of directors. Such board shall have power to alter, amend or repeal the Bylaws. such Bylaws may contain any provisions for the regulation or management of the affairs of the corporation which are not inconsistent with the law or these Articles of Incorporation, as the same may from time to time be amended. However, no Bylaw at any time in effect, and no amendment to the articles, shall have the effect of giving any director or officer of this corporation any proprietary interest in its property or assets whether during the term of its existence or as an incident to its dissolution.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS
The corporation shall indemnify each director or officer or former director or officer, heirs and personal representatives, against expenses actually and reasonably incurred in connection with the defense of any action, suit or proceeding, civil or criminal, to which such person may be made a party by reason of being or having been such a director or officer of the corporation, except in relation to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation. On the event of a settlement, indemnification shall be
provided only in connection with such matters covered by the settlement as to which the corporation is advised by counsel that the person being indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of other rights to which such director or officer may be entitled.

ARTICLE IX INCORPORATION
The name and address of the incorporator is:

Full legal name of attorney _______________________ Office street address ______________________________ City, State, Zip Code

ARTICLE X IMITATION OF PERSONAL LIABILITY OF DIRECTORS
Pursuant to and in accordance with the provisions of [e.g. Sections -21-102 (1.5) and 7-22-101 (1) (r), Colorado Revised Statutes], the personal liability of any director to the corporation or to its shareholders for monetary damages for breach of fiduciary duty as a director is eliminated, except for any breach of the director’s duty or loyalty to the corporation or to its shareholders, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, acts specified in (e.g. section 7-5-114, Colorado Revised Statutes), or any transaction from which the director derived an improper personal benefit. The effective date of this provision is upon the filing of these Articles of Incorporation.

ARTICLE XI PRIVATE FOUNDATION RULES
If the corporation is found to be a private foundation at any time during its existence, the following provision shall become effective:

1. The corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any later federal tax laws.

2. The corporation will not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code of 1986, or corresponding provisions of any later federal tax laws.

3. The corporation will not retain any excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code of 1986, or corresponding provisions of any later federal tax laws.

4. The corporation will not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any later federal tax laws.

5. The corporation will not make any taxable expenditures as defined in section 4945 (d) of the Internal Revenue Code of 1986, or corresponding provisions of any later federal tax laws.

ARTICLE XII AMENDMENT
The Board of Directors reserve the right from time to time to amend, alter, change or repeal these Articles of Incorporation by a vote of two-thirds of the directors present at a meeting called by such a purpose pursuant to notice.

DATED: Month day, year Signature of Incorporator___________

Typed full legal name Incorporator

**Note: Following is an example of Bylaws for a nonprofit organization intended only to be a guide for anyone else wishing to develop such a document. Please consult with your own legal counsel for your own final set of Bylaws.**
BYLAWS NAME OF ORGANIZATION, INC. ARTICLE I. GENERAL

Section 1.1. Name. The name of the corporation is Name of corporation, Inc., a Name of State nonprofit corporation (hereinafter referred to as the corporation).

Section 1.2. Principal Offices and Registered Agent.

The principal place of business and principal office of the corporation shall be located at such place as the board shall from time to time determine, and the corporation may have such other offices within the state of Name of State as the Board of Directors may designate or as the business of the corporation may require from time to time. The registered office as required by the e.g. Colorado Corporation Act To be maintained in the state of name of State may be changed from time to time by appropriate action of the Board of Directors, with proper notice of such change to be given in all cases to the Secretary of State of the state of Name of State.

Section 1.3. Seal. The seal of the corporation shall be circular in form and mounted on a metal die, suitable for impressing the same upon paper. The seal shall consist of two concentric circles, between which shall be the name of the corporation and a designation of the state of Name of State, and in the center of which shall be the word “seal.”

Section 1.4. Members. The corporation shall have no members.

ARTICLE II. THE BOARD OF DIRECTORS

Section 2.1. Meeting of Directors. The property and business of the corporation shall be managed by its Board of Directors consisting of not less than three (3) nor more than nine (9) directors. The number of directors may be increased or decreased from time to time by amendment to these Bylaws. The directors hereinafter named shall constitute the first Board of Directors and shall hold office until such time as new directors are elected or appointed by said first Board of Directors. Election or appointment of directors shall be in a manner and for a term provided by resolution of the first Board of Directors. The initial Directors and their addresses are:

Name, President Street Address City, State, Zip Code
Name, Vice President Street Address City, State, Zip Code
Name, Secretary Street Address City, State, Zip Code
Name, Treasurer Street Address City, State, Zip Code

Section 2.2. Meeting of Directors. Meetings of the Board of directors shall be held regularly, but not less than one time a year and may be held upon the call of the President, or three members of the Board of directors, at any place within or without the state of Name of State, providing that not less than five days notice of such meeting be given to each director. Notice shall be deemed waived by attendance at any meeting in person and similar notice may likewise be waived by absent directors, either in written instrument or by telegram.

Section 2.3. Quorum. A quorum of any meeting of the Board of Directors shall consist of not fewer than a majority of the number of directors fixed by these Bylaws. Any action by such majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law.

Section 2.4. Vacancies. Any vacancy occurring in the Board of directors may be filled by the affirmative vote of a majority of the directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office.
Section 2.5. Powers of the Board. The Board of Directors shall have the power to elect the various officers whose duties are hereinafter set forth. In addition, they shall also have the power to appoint an auditor, attorney, and such other officers or assistant officers as they may need, including but not limited to an Assistant Secretary and an Assistant treasurer, who may or may not be members of the Board of Directors, to serve at the sole discretion of the Board. The business and affairs of the corporation shall be managed by its Board of Directors, and all notes, deeds and leases shall be signed by the President and attested by the Secretary or such Assistant Secretary as may be appointed by the Board, at the Board’s discretion. The powers enumerated herein shall not be construed to limit other powers given the Board of Directors by any section of these Bylaws, the articles of Incorporation or the laws of the state of name of State.

Section 2.6. Committees. The Board of Directors by resolution adopted by a majority of the directors in office may designate and appoint one or more committees each of which shall consist of two or more directors. Each committee shall have and may exercise the authority of the Board of directors as may be set forth in said resolution, except that no committee shall have the authority of the Board of Directors in reference to the powers described in (e.g. C.R.S. Section 7-24-105).

Section 2.7. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to have the same force and affect as a unanimous vote of the Directors, and may be stated as such in the articles or documents filed with the Secretary of State of Name of State.

ARTICLE III. THE OFFICERS OF THE CORPORATION

Section 3.1. Officers. The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary and Treasurer. The salaries of all the officers of the corporation, if any, shall be fixed by the Board of Directors. One person may hold any two or more offices, except that no person may simultaneously hold the offices of President and Secretary. The Board of Directors by resolution may create and define the duties of other offices in the corporation, and may elect or appoint persons to fill these offices. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws, Articles of incorporation, or by the Board of Directors, such officer, agent or employee shall follow the orders and instructions of the President.

Section 3.2. Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors annually at the first meeting of the Board held in that year. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. All officers shall serve for a term of one year, and each officer shall hold office until the first of the following occurs: until his successor is duly elected and qualified; or until his death; or until he shall resign; or until he has been removed in the manner hereinafter provided. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

Section 3.3. Removal. Any officer or agent may be removed by the Board of Directors when in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

Section 3.4. Vacancies. A vacancy of any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

Section 3.5. The President. The President shall be the chief executive officer of the corporation, and shall have general and active control of its affairs and business and supervision of its officers, agents and employees and perform such other duties as the Board of Directors may prescribe. The President shall execute contract and other agreements and reports when duly attested by the Secretary or the Assistant Secretary, if any. He or she shall preside at all meetings of the Board of Directors, discharge all the duties which devolve upon a presidential officer, and perform such other duties as these Bylaws provide or the Board of Directors may prescribe.
Section 3.6. The Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and perform such other duties as these Bylaws may require or the Board of Directors may prescribe.

Section 3.7. The Secretary. The Secretary shall attend all sessions of the Board, and record all votes and the minutes of the proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees, if any, when required. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors. The secretary shall keep in safe custody the corporate records and the seal of the corporation, and when authorized by the board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his or her signature. The Secretary shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. An assistant Secretary or Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

Section 3.8. The Treasurer. The Treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depository or depositories as may be designated by the Board of Directors, in accordance with the instructions of the Board of Directors. He shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation. He shall receive and give receipts and acquittances for monies maid in on account of the corporation, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the corporation upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board of Directors, shall make such powers and perform such other duties as may be from time to time prescribed by the board of Directors or the President. An Assistant Treasurer or Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

Section 3.9. Delegation of Authority. In case of the absence of any officer of the corporation, or for any other reason that the Board of directors may deem sufficient, the Board of Directors may delegate the powers or duties of such officer to any other officer or to any director, for the time being, provided a majority of the entire Board of Directors concurs therein.

ARTICLE IV. CORPORATE BOOKS
Section 4.1. Book and Records. The corporation shall keep correct and complete books and records of account; shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, if any.

ARTICLE V. AMENDMENTS
Section 5.1. The Articles of Incorporation or Bylaws may be enlarged, amended, repealed, or altered in whole or in part by a two-thirds vote of the members of the Board of Directors present at a meeting of the members of the board where such action has been announced in the notice of such meeting.

ARTICLE VI. INDEMNIFICATION OF OFFICERS AND DIRECTORS
Section 6.1. Each director and officer of this corporation, and personal representatives, shall be indemnified by the corporation against all costs and expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which such person may be involved or to which he may be made a party by his being or having been such director or officer, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the costs of litigation, but only if the corporation is advised in writing by its counsel that in his opinion the person indemnified did not commit such negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law or by agreement.
ARTICLE VII. MISCELLANEOUS
Section 7.1. Fiscal Year. The fiscal year shall be as determined by the Board of Directors by appropriate resolution.

Section 7.2. Articles of Incorporation. The Articles of incorporation, as they now exist, but amending the initial directors, are hereby made a part of these Bylaws and all Bylaw provisions shall be construed in connection with said Articles of Incorporation, and no Bylaws provision shall be adopted to conflict with or be in contravention of said articles of Incorporation.

Typed Name of Nonprofit Organization _________________

(SEAL)

By: Signature of President _________________

President ATTEST:

Signature of Secretary _________________

Secretary