

NONPROFIT INCORPORATION WORKSHOP

GOAL Workshop Series

City Hall

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A few things to keep in mind when incorporating as a nonprofit organization:

- **Setting up a Board of Directors**
 - o You need 3 people minimum (one person will have to be the chair, and board for new organizations are often “hands-on” which means that time consuming)
 - o The Directors are personally liable for what happens with the Non-profit organization
 - o Depending on the experience of the board members, you may want to have some resources for board development
- **Opening a bank account**
 - o Pretty straight forward once you have the non-profit papers – you will need to register the signatories of the bank account – usually the Executive Director and Chair of the Board
- **Setting up financial management systems**
 - o It is good to start including in your budget some funds for a book keeper and you will have to get an audited financial statement done
- **Insurance**
 - o We have been advised to get Directors and Officers Insurance, and General Liability Insurance that will cost approx. \$2,000/year
- **Release, consent forms**
 - o Really important to have all of your bases covered to reduce risk to the organization
- **Creating and updating policies and procedures – governance, human resources, etc...**
 - o As you start building an organization you need to have clear and transparent policies and procedures – which can reduce your ability to be “flexible” and “responsive” to changing circumstances – this is time consuming and can mean that you may have to run things in a more structured and less “flexible” way (see who else has done this and get model policies if you can)
- **Creating contracts, setting up payroll, benefits and workers compensation (WSIB)**
 - o Good to consult a book keeper or accountant when you are doing this
- **You need to find funds to cover operating costs**
 - o Operating funds are not easy to find, especially for grassroots groups
 - o You may want to be at a point when you are comfortable with the grant writing process and have managed a few successful grants – with a track record you

- **Staffing**
 - o make sure you have someone who is able to do the administrative duties (and possibly someone else who is in charge of program implementation)
- **Have a vision** – short term, medium term and long term for the organization – that you share with other people in the organization
 - o It helps to tie the decision making process into a participatory strategic planning process – look at how this fits into a shared vision for the organization, so that you get buy in and people feel a sense of ownership – and that you spend some time on talking about and thinking through the process
- **Exit strategy**
 - o What happens if you want or have to wrap up the NPO? It may not ever happen, but it is a question the people getting involved should address at the beginning
- **Taking on the responsibility**
 - o You and your organization are accountable to the government, funders, your partner organizations, your board, your staff, your volunteers and above all – the people you serve through your organization. Just make sure you are ready to take on the responsibility – ask yourself - are you content to partner with an organization out there to do a short-term project with some good results or are you in this for the long haul?

These are just a few of the things to keep in mind – there may be others that are not listed here!

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