



Every forest and park needs Friends

Do you need to incorporate?

It is not necessary to register as a non-profit to be a friends group. If your effort will be quite local and small, consider forming an unincorporated association or club — hold meetings and special activities but skip the reporting requirements (an option for groups with annual budgets under \$25,000).

The best reason for becoming a non-profit is LIABILITY. A private nonprofit is a state corporation that is incorporated through a simple form through your Secretary of State's office. When your agency becomes a state private nonprofit corporation, you can then apply for a 501(c)(3) private nonprofit through the IRS. Once certified through the IRS, any donations to your charitable organization are tax deductible. Most foundations prefer to give to 501(c)(3) IRS certified private non-profits.

Reasons to become a non-profit:

- For volunteer groups or charitable trusts, incorporation provides helpful protection against liability
- Having a 501(c)(3) designation allows donors a tax deduction, which may very will increase the amount of donations your affiliate receives.
- Many grants and other funding sources require that the organization have a non-profit status as part of the grant criteria.
- Non-profit status increases the legitimacy and sustainability of your group.

Yahoo Voices has lots of good information for starting a non-profit group. Check out <http://voices.yahoo.com/nonprofit-organizations-incorporate-83138.html?cat=3>, and the list at the right side of the page.