

- The fees: The fees to set up a nonprofit entity vary from state to state. In addition to the fees to be paid to the State where the entity will be registered, the fee to file the accreditation form with the IRS is \$ 600.00
- The work: To set-up a nonprofit organization, the following documents must be prepared by professionals (*Attorneys, CPAs, enrolled agents*) and/or officers with sufficient knowledge to prepare and file required documents:
  - o Articles of incorporation (*costs vary state to state*)
  - o Statement of information
  - o By-laws
  - o Form 1023
  - o Form SS4
  - o Conflict of interest policy
  - o Organizational meeting of the Board of directors
  - o Financial projections (*P&L, cash flow, BS minimum 3 years*)
  - o Clear objective definition with fund disbursement policies
  - o Employee related documents (*if the non-profit entity hires employees*)  
(*This list does not include any state-required filing*)

To perform the work described above, prices range depending on the preparer's rates and qualification. Experience has shown that prices range from \$ 5,000.00 to \$ 15,000.00.

- A website: estimated at \$ 2,500.00 with forms and donations module
- Office set-up:
  - o Deposit: \$ 2,500.00
  - o Furniture and fixtures: \$ 1,250.00
  - o Office equipment: computer, printer: \$ 3,000.00
  - o Telecommunications: \$ 500.00
  - o Office supplies & stationery: \$ 1,000.00

### How Much Does It Cost To Maintain A Nonprofit?

Costs depend on how extensive the work of the organization is.

Since nonprofit organizations are funded through fundraising programs, grants, and donations, one or more knowledgeable employees must devote 100% of their time to develop these sources of funding.

A reasonable compensation for this position is \$ 60,000.00 per year + benefits and bonuses

Operating costs will include:

- An office space \$ 15,000.00
- Utilities \$ -

- Various subscriptions	\$ 1,200.00
- Software	\$ 150.00
- Telecommunications	\$ 1,200.00
- Website maintenance	\$ 3,000.00
- Marketing fund	\$ 18,000.00
- Accounting ( <i>including tax return</i> )	\$ 6,000.00
- Fund raising agents ( <i>TBD</i> )	
- Workman's comp:	\$ 2,700.00
- Employer's taxes on paid salaries:	\$ 6,900.00
- E & O insurance:	\$ 3,000.00
- Total minimum operating costs:	\$ 57,150.00