

# Nonprofits and Fiscal Agents



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## Starting a Nonprofit

Incorporating a nonprofit organization, typically under a **501(c)(3) status**, is a process that can take approximately **6 to 9 months** to complete.

This status is important as it grants the organization tax-exempt benefits, allowing for more efficient fundraising and operation. During this period, organizations may seek fiscal sponsorship, which involves partnering with an existing 501(c)(3) nonprofit that can manage funds and provide administrative support.

This partnership allows the new organization to begin its activities and receive tax-deductible donations while its own 501(c)(3) application is in process.

## How to Serve!

Board listings at  
[www.tnpsocal.org](http://www.tnpsocal.org)

Find a local nonprofit at  
[www.longbeachgives.org](http://www.longbeachgives.org)

Volunteer first!

## Getting Ready for your Next Step

### Nonprofit

To incorporate a nonprofit, begin by filing the Articles of Incorporation with your state's Secretary of State or a similar agency. Next, create bylaws to govern the organization and appoint a Board of Directors. Obtain an Employer Identification Number (EIN) from the IRS, and then apply for federal tax-exempt status under 501(c)(3). Additionally, register for state tax-exempt status and ensure ongoing compliance with all regulatory requirements.

### Fiscal Sponsorship

A fiscal sponsorship is an arrangement where a nonprofit organization (the fiscal sponsor) provides its legal and tax-exempt status to another group or project that lacks its own 501(c)(3) status. This allows the project to receive tax-deductible donations and grants without forming a separate nonprofit. Key features include legal and tax benefits, administrative support, and flexibility. The benefits are mission focus, fundraising through the sponsor's 501(c)(3), and lower costs. However, considerations include fees charged by the sponsor, oversight, and the flexibility of the arrangement..