

# Eight Great Alternatives to Starting a Nonprofit

(Source)

Starting a nonprofit organization sounds like fun, but the reality is that it takes quite a bit of work. There are valid reasons to start a new organization, but your very first step should be extensive research to make sure the need isn't being filled already by someone with more experience. All too often, I hear about someone starting an organization to help a village in Africa or to raise money to fight a disease. That time and money could be better spent by joining efforts with an existing group.

I suspect that many people don't realize everything that goes into running a successful nonprofit. It is far more complicated than starting a business. You are creating a whole new organization with a board, financial requirements, fundraising needs, and much more. Plus, once you officially start an organization, it no longer belongs to you. Your board has the final say in what happens. Finally, if you work with an existing group instead and then realize you can't commit wholeheartedly to an effort anymore, whether it is due to family demands, work, or health issues, it is easier to step away.

Are you passionate about educating people about bicycle safety? Would you love to see your local park have more amenities? Do you and your friends want to help out refugee kids? Take a look around your community to find the organizations already doing the work you are interested in. Google them, talk to people you know in the non-profit community, or ask funders, and then talk with the organizations and find out what they need. You'll find out that you often don't need to start your own organization.

If you do need to start your own nonprofit, research is still important. Find out what is already happening in the area you care about and talk to the organizations involved. Talk to an executive director and find out what it really takes to run and fund an

organization. Then start by taking one of the below steps. You can form your organization later on after acquiring more experience. That will make your chances of success much higher.

Need help exploring which alternative is right for you? You can hire me to help. You can reach me at <a href="mailto:ingrid@ingridkirst.com">ingrid@ingridkirst.com</a> or (402) 730-2532.

#### Here are eight alternatives to starting a nonprofit:

## 1. Volunteer for a program



As an Executive Director, I often had people contact me wanting to volunteer. Our best volunteers, and the ones who got the most out of the experience, were those who committed to helping on an ongoing basis, who showed up when they said they would, worked hard, asked good questions, and weren't afraid to learn new skills. It could be challenging, however, to match a volunteer with a need in the organization. Sometimes the volunteer's schedule didn't

match ours, or they wanted an experience that we simply couldn't provide. Fantastic committed volunteers are always in high demand and you can make a tremendous difference while developing nonprofit skills. Even if you can't find an organization that exactly matches your passion, volunteering will give you a wealth of behind-the-scenes knowledge to run your own.

Here's a great list of how you can be a fantastic volunteer.

#### 2. Raise funds for a program



My friend Maggie and her friends started a project to honor her husband after he passed away at a young age. They held a fundraiser for Mourning Hope, a local organization that supports young people who have lost a relative because it was a tremendous help for them. The fundraiser was a huge success and some of the group

members then suggested they start a nonprofit organization. Maggie and I discussed it and I reassured her that she could continue raising money for local groups without the headache of creating an organization. The group can hold a fundraiser for any nonprofit, and as long as the checks are made out to that organization, the donors still get a tax deduction.

Any nonprofit would be thrilled to have a <u>high-quality event set up and run for them</u>, as events take a lot of time and energy. This frees up the organization to focus on its mission. Do be clear and upfront with the organization about who is responsible for which expenses and tasks so no one is surprised a week before the event with unexpected demands.

In addition, you can also be a peer-to-peer fundraiser and raise money from your friends, often online. Your friends may not know about a great organization you are raising funds for, but they know you and trust your judgment, so if you ask for a donation, they'll chip in. Often you can set up your own fundraising page with the nonprofit so everyone can see the progress you are making toward your goal. I recently held a Facebook fundraiser for an exciting organization in exactly this way – it was a huge success.

#### 3. Develop a business to benefit a cause.



You don't have to set up a nonprofit organization to be charitable. Setting up a for-profit business to make money with your skills might be a great option. Starting a business is much simpler than starting a nonprofit and gives you a lot more flexibility. You can promote your donations as part of your sales pitch – a high percentage of consumers love supporting businesses that

give back. <u>Social entrepreneurship</u> is rapidly developing as a popular way to support great causes while doing good business.

### 4. Partner with an existing organization

Another option is to find an existing organization that works in a similar field to you and suggest a joint project. You could write a grant or fundraise for your project, in collaboration with the nonprofit. These funds would cover both their costs for overseeing the project and your costs for running it.

This type of project requires a high degree of trust between the nonprofit organization and you. Don't expect an organization to jump at the opportunity if you haven't been involved with them before. As an executive director, I had many people come and tell me about their exciting new ideas. We'd have a great conversation and I would give them some suggestions, but rarely did I ever hear from that person again. Start by volunteering for the organization so they can see that you are a hard-working person who is passionate about their cause.

You will have to give up some control of your project, and the organization will need some of your funds for administration costs, but the advantages are huge. You won't have to worry about creating a whole administrative and governance system from scratch or need to learn everything about nonprofit regulations. In addition, if at some point you can't run your project anymore, the nonprofit can hire someone to keep it running.

#### 5. Fiscal sponsor



Once you have nonprofit experience but haven't found an existing program providing the services you see a need for in the community, you can take the step of finding a fiscal sponsor. A fiscal sponsor allows you to use their 501(c)(3) status, agreeing to oversee your work and ensure it is a well-run project. Look for an organization that closely aligns with your mission or that regularly acts as a fiscal

sponsor. Be prepared to answer questions about your plans. The organization will likely charge you a fee to cover the costs they will have for overseeing your project. It may seem like an extra cost for you, but in reality, a fiscal sponsor will save you quite a bit of time and money over starting your own organization.

Locally, I helped develop the <u>Southern Heights Food Forest</u>. At the beginning of the project, we didn't need our own 501(c)(3) status, so we set up a fund at the Lincoln Community Foundation. This allowed us to accept donations and apply for grants while testing out our ideas and creating a strong committee. Four years later, after demonstrating we were around to stay, we created a 501(c)(3) organization.

#### 6. Create a donor advised fund

If you are interested in setting up your own foundation or scholarship program, you can also do this through an existing entity and save yourself a lot of hassle. In our community, the Lincoln Community Foundation has opportunities to do both. You can set up a donor advised fund and the community foundation holds the funds for you, but you control their distribution. You can fundraise to add to your fund, as well. See if your community foundation provides this, or look at some of the larger investment companies that also offer this service. Setting up your own foundation takes quite a bit of work, and requires ongoing reporting and accounting, just like a nonprofit organization, but setting up your own donor advised fund lets you avoid all of that and focus on giving the money away.

# 7. Start a chapter or affiliate of a national nonprofit organization

Some organizations have chapters throughout the country, but there might not be one in your state or community yet. The national group will have stipulations about what you can and can't do, but they also bring huge advantages like already created marketing materials, policies and procedures, and name recognition. You'll need to do some research to find out if a national organization exists, but <a href="here's a good summary of the options.">here's a good summary of the options.</a>

#### 8. Form or join a giving circle

Finally, if you have a variety of interests and a group of friends interested in similar ideas, you can form a giving circle. These groups meet regularly and pool their funds to make substantial gifts to local groups. Here's a good overview of giving circles.

#### How can I help?

Are you interested in exploring these options? Or are you ready to start your own organization? I'm available for hire to discuss this. You can reach me at <a href="mailto:ingrid@ingridkirst.com">ingrid@ingridkirst.com</a> or (402) 730-2532.

