

1 - PREPARATION AND PLANNING

Focus your organization's purpose and identity. Why? What? For Who?

Decide on Organizational Type – Business types, non-profits and fiscal sponsorship

- Project, program, for-profit business or non-profit?
- Sole Proprietor/General Partnership
- LLC, S-Corp and C-corp
- Non-profit Corp/501c
- Fiscal Sponsorship – Shunpike's Fiscal Sponsorship

Assess Readiness – Have you answered the basic questions?

- Have you researched need and similar orgs?
- Considered joining existing efforts?
- Where will money come from?
- Do you have an Operating Plan, including Management and Reporting Systems?
- Plan for Service Delivery and Programs?
- Financial Projections – sustainable, realistic about fundraising?
- Staff and Personnel Capable and Qualified?
- Measurement, Data, Records and Reporting?
- Board of Directors?
- Are you personally ready?

From Nonprofit Center's questionnaire, *Starting a Nonprofit Organization*, by Liz Heath (www.npcenter.org/pdf/starting_a_nonprofit.pdf)

And the SBA's *Checklist for Starting a Business* (web.sba.gov/sbtn/sbat/index.cfm?Tool=4)

Write a business plan.

1. **Describe the venture** (new or current organization, product or service), often including its primary features, advantages and benefits
2. **What the group wants to do with it** (start it, buy it, expand it, etc.)
3. **Justification** that the plans are credible (eg, results of research that indicate the need for what the organization wants to do)
4. **Marketing plans**, including research results about how the venture will be marketed (eg, who the customers will be, any specific groups (or targets) of customers, why they need the venture (benefits they seek from the venture), how they will use the venture, what they will be willing to pay, how the venture will be advertised and promoted, etc.)
5. **Staffing plans**, including what expertise will be needed to build (sometimes included in business plans) and provide the venture on an ongoing basis
6. **Management plans**, including how the expertise will be organized, coordinated and led
7. **Financial plans**, including costs to build the venture (sometimes included in business plans), costs to operate the venture, expected revenue, budgets for each of the first several years into the future, when the venture might break-even (begin making more money overall than it has cost), etc.
8. **Appendices** (there are a wide variety of materials included in appendices, eg, description of the overall organization, its other products and/or services, its current staff, etc.)

From the *Field Guide to Nonprofit Program Design, Marketing and Evaluation*, by Carter McNamara, MBA, PhD, of Authenticity Consulting. (www.managementhelp.org/plan_dec/bus_plan/bus_plan.htm)

2 - START-UP

Establish a name for your organization

- State corporation search - www.secstate.wa.gov/corps/corps_search.aspx
- US Patent and Trademark Office - www.uspto.gov

File the certificate of incorporation, articles of incorporation

- Online registration: www.secstate.wa.gov/corps/OnlineApplicationForms.aspx
- Examples:
 - Non-profit Resources, Inc:
 - users.aristotle.net/~nonprofit/startup/startup.html#Articles
 - IRS:
 - <http://www.irs.gov/charities/charitable/article/0,,id=123028,00.html>
 - <http://www.irs.gov/charities/charitable/article/0,,id=123029,00.html>
 - King County Bar Association:
 - <http://www.kcba.org/scriptcontent/KCBA/publications/pdf/wlpmnphb.pdf>
 - For assistance:
 - Washington Lawyers for the Arts (WLA)
 - Washington Attorneys Assisting Community Organizations (WAACO)
 - Shunpike services in Legal Foundations

Select individuals to serve on the board of directors

- CompassPoint's Board Café at: www.boardcafe.org
- United Way of King County at: www.uwkc.org/nonprofit/training/default.asp
- Shunpike services in Board Governance

Develop vision and mission statements

- Succinct description and additional resources:
http://managementhelp.org/plan_dec/str_plan/str_plan.htm
- Shunpike's Strategic Planning services

Establish bylaws and board policies

- <http://www.kcba.org/scriptcontent/KCBA/publications/pdf/wlpmnphb.pdf>
- See legal resources above for Articles of Incorporation.

Obtain an employer identification number (EIN)

- Apply online: www.irs.gov/businesses/small/article/0,,id=102767,00.html

Open a bank account and establish check-signing procedures

File for federal tax exemption or establish fiscal sponsor:

- Shunpike, Fractured Atlas, NYFA, Allied Arts
- IRS form 1023: www.irs.gov/pub/irs-pdf/f1023.pdf.

Follow state and local nonprofit regulations

- City Business License, Admissions Tax
 - Not just the city where you are located
 - Seattle 90/45
 - Tacoma 80/40
- County Licensing – only unincorporated for Pierce, Snohomish and King Counties
- State Incorporation/Registration
- State Charities Registration: http://www.secstate.wa.gov/_assets/charities/Charities_Initial_Renewal.pdf

Find required space and obtain needed equipment

Recruit staff and prepare a personnel manual

Establish a payroll system and procure necessary insurance coverage

Develop an overall funding and fundraising plan

Draft template contracts and agreements

Collect quotes and establish proper insurance

Find a mentor or peer group

Executive Alliance, WSAA, Executive Service Corps, Arts Leadership Lab or form your own!

Options for administration and management - Shunpike's Partner Artists Program

From Foundation Centers, "Establishing a Nonprofit Organization,"
<http://www.foundationcenter.org/getstarted/tutorials/establish/> and

King County Bar Association's *How to Start and Maintain a Non-profit Organization*
(www.kcba.org/scriptcontent/KCBA/publications/pdf/wlpmnphb.pdf)

3 - MANAGING AND ADMINISTRATION

Establish leadership and decision-making processes

Managing human resources

- Benefits and benefits administration
- Employee handbooks and “contracts”
- I-9 to immigration and naturalization
- W-2 or W-9, W-4 or 1099-MISC
- Report new hires to Dept of Social and Health Services
www.dshs.wa.gov/newhire

Research, data and evaluation

Create a logic model

example – trip planning “program”

RESOURCES/INPUTS – holiday flight schedules, family schedules, frequent flyer holiday options, holiday weather

ACTIVITIES- create family schedule, get holiday flight info, get tickets, arrange ground transportation

OUTPUTS – tickets for all family members, frequent flyer miles used, money saved

OUTCOMES – Family members enjoy vacation

IMPACT – Continued good family relations

from Kellogg Foundation “Logic Model Development Guide”

<http://www.wkkf.org/pubs/tools/evaluation/pub3669.pdf>

Identify indicators and Collect Data

Filing and Paying Taxes

Ongoing Legal Needs

Ongoing planning and budgeting

Use technology. But only as needed.

Financial management

Fundraising

Marketing and Communications

Shunpike’s Sustainable Organizations Program

4 - TRANSITIONS

Succession planning and Emergency planning

Mergers and transformations

Closing/Cessation

5 - RESOURCES

Highly Recommended:

STARTING A NON-PROFIT ORGANIZATION

Developed by the Executive Service Corps of Washington

<http://www.escwa.org/files/npguide.pdf>

Online Resources:

SBA – www.sba.gov

Foundation Center – www.foundationcenter.org

Free Management Library – www.managementhelp.org

CompassPoint's Board Café: www.boardcafe.org

Quickbooks Online: oe.quickbooks.com

Kellog Foundation - <http://www.wkkf.org>

Local Resources:

Nonprofit Assistance Center, Seattle - <http://www.nacseattle.org/>

The Nonprofit Center, Tacoma – www.npcenter.org

Executive Service Corps, Seattle – www.escwa.org

Washington Lawyers for the Arts, Statewide - <http://thewla.org>

Washington Attorneys Assisting Community Organizations, Statewide - <http://www.waaco.org/>

Executive Alliance, Statewide - <http://www.exec-alliance.org/>

Seattle University's Nonprofit Clinic and Entrepreneurship Center, Seattle

King County Bar Association - <http://www.kcba.org/>

New York Foundation for the Arts – www.nyfa.org

Fractured Atlas – www.fracturedatlas.org

NPower – www.npower.org

United Way of King County: www.uwkc.org

Government:

US Patent and Trademark Office - www.uspto.gov

IRS – www.irs.gov

WA Department of Revenue – www.dor.wa.gov

WA Secretary of State – www.secstate.wa.gov

WA Labor and Industries - <http://www.lni.wa.gov/>

WA Employment Security Department - <http://www.esd.wa.gov/>

Seattle Business Licensing – www.cityofseattle.net/html/business/permits.htm

Tacoma Business Licensing – <http://www.cityoftacoma.org/Page.aspx?nid=201>

Department of Social and Health Services - www.dshs.wa.gov

ABOUT SHUNPIKE

Shunpike helps all kinds of small and mid-sized arts groups better manage the business aspects of art. Our mission is to strengthen the Seattle arts community by partnering with small and mid-sized arts groups to develop the business tools they need to succeed.

We believe that arts groups come in all shapes and sizes and a healthy arts community needs that diversity to thrive. We also believe these groups can succeed at what they do, without burning out or struggling to gain business skills. By using their resources efficiently, effectively and strategically, arts groups can achieve their long-term goals. Through three main programs, Shunpike provides ongoing, one-on-one support to arts groups of all shapes and sizes, helping them execute plans for organizational growth and navigate the complex world of fundraising.

Accountability and the Arts: Free Public Workshops and Events

Shunpike's free bi-monthly workshop series, Accountability and the Arts, explores issues related to arts administration, features experts in the field and directly addresses arts groups' most pressing concerns, such as marketing and fundraising.

Partner Artists: Hands-on Fiscal Sponsorship

The Partner Artist Program offers a hands-on fiscal sponsorship solution for projects in the arts. Shunpike fosters accountability by requiring these groups to meet standards in reporting and budgeting, and by training staff and volunteers to manage their finances, including taxes, budgeting and payroll. As an umbrella organization, Shunpike has supported more than 120 arts groups and projects since 2003, providing critical financial and organizational resources to groups such as Balagan Theater, Youth Speaks Seattle, Decibel Festival and Crawl Space Gallery.

Sustainable Organizations: Affordable Consulting Services

The Sustainable Organizations Program helps arts groups take effective action through strategic planning, fundraising and improved communication with stakeholders. We provide accessible business consulting services to arts groups at reduced rates. We assess and respond to each group's particular needs, partnering with established 501(c)3 organizations such as Seattle Public Theater, Wing-It Productions, Twelfth Night Productions, and Degenerate Art Ensemble to develop customized plans for long-term success. Services include board recruitment and training, strategic planning, grantwriting support, marketing and communications planning, financial systems development, and general project management.

Shunpike envisions a vibrant and diverse local arts community where arts groups of all sizes thrive through efficient use of resources and smart management. From existing non-profit arts institutions to new arts groups without 501(c)3 status, from foundations and government arts offices to individual donors, Shunpike brings together and attends to a crucial concern of the entire arts community: the business of art.