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# NONPROFIT MANAGEMENT FOR PET RESCUE ORGANIZATIONS

## Part One: Starting A Community-Based Organization

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and other nonprofit  
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## In this section:

- ◉ The decision to start a new organization
- ◉ Community needs assessment
- ◉ Nonprofit incorporation
- ◉ Bylaws, policies and procedures
- ◉ Seeking federal tax exempt status under IRS Section 501(c)(3)



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# The decision to start a new community-based organization

- Community-based, nonprofit organizations are an important part of the animal services landscape. These nonprofit organizations can help to address pet overpopulation and humane education issues in partnership with local governments and concerned citizens.
- The decision to start a new pet rescue organization is a big step. There are a lot of important questions to ask and data to gather before you make this decision.



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## Some questions to ask:

- Are there other community-based pet rescue organizations serving the target area? Are they doing an effective job? How are they funded?
  - Remember: as more pet rescue groups start up, the funding pie gets sliced smaller and smaller. You will be competing for the same donors.
  - Is it more effective to join forces with an existing organization? All pet rescue groups need committed volunteers, staff and board members. Think carefully and honestly about whether joining an existing group will ultimately help more animals in your community than starting up a whole new, competing organization.



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## Some questions to ask:

- What are the specific animal welfare needs and service gaps in your community? Can you document these needs?
  - Gather as much data as you can - statistics, not hearsay - on euthanasia, adoption and animal cruelty investigation rates in your community.
  - Interview key community members about where they think the service gaps are. Talk to animal control directors, law enforcement, other community organizations, and veterinarians.
  - Conduct a Community Needs Assessment meeting as described later in this chapter.



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## Some questions to ask:

- Am I/are we ready to collaborate and share decision-making power?
  - Becoming an incorporated nonprofit means your organization must be governed by a volunteer Board of Directors, not by just one person.
  - Collaboration with other organizations in your community will be crucial to your success. Animal control, the veterinary community and other pet rescue groups will be important partners as you work toward your goals. Inter-organization bashing, gossip and refusal to cooperate DO NOT help the animals, and your community will quickly lose patience with animal welfare issues in general if they see this behavior.



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# The decision to start a new community-based organization

- ◉ If you can document service gaps and community needs, and you're ready to work as part of a team to address those needs, then starting a new nonprofit organization might be the right decision.
- ◉ Make sure the decision is based on what will help the most animals, not on the excitement or ego-boost of running your own operation.
- ◉ Develop lots of patience, a thick skin, an eye for detail and a true partnering spirit. Your adventure is just beginning!



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# Community Needs Assessment

- ◉ A Community Needs Assessment meeting is an opportunity to gather more information about your community's needs and enlist allies who can help you build your community collaborative effort.
- ◉ Plan for a 2-3 hour meeting, and arrange for an accessible meeting site that will be comfortable for a large group. Schedule the meeting so that the largest possible number of people can attend; this usually means Saturday morning or after work on a weeknight.





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# Community Needs Assessment

- ◉ Invite everybody who has an interest in either animals OR your community in general. A diverse group of community stakeholders will increase your chances for success. Include animal control, local government, veterinarians, pet store managers, health department officials, churches, service clubs, local media, along with other animal welfare activists.
- ◉ Be ready to listen to everybody. Their insights about what your community really needs may surprise you. Pay extra close attention if what you hear contradicts what you already believe!



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# Community Needs Assessment

- ◉ Open the meeting by presenting the data you have already gathered about euthanasia, adoption and animal cruelty rates in your community. Cite your sources, so your audience knows you did your research.
- ◉ Then, open the floor for a discussion on community needs. Assign several recorders to capture everybody's ideas - big easel pads and markers are good for this. Work hard to make sure everybody's voice is heard.



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# Community Needs Assessment

Here are some good questions to get the discussion going:

- ◉ What are our assets? What does our community do well in terms of animal welfare?
- ◉ What are our liabilities? What animal welfare challenges does our community face?
- ◉ What does our community need to do a better job? Facilities? Education? A foster home network? A low cost spay/neuter program? What else?
- ◉ Do you feel there are more pressing community needs that would prevent you from supporting an animal welfare initiative at this time? What are they?



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# Community Needs Assessment

- ◉ End your meeting by letting everyone know you will compile and share the data collected, and then follow through! Send out a written meeting report within a week.
- ◉ Use the data gathered to further refine your planning as you determine whether to start up a new organization. Community needs should dictate your mission, so keep going back to this data as you develop your mission statement and goals.
- ◉ Documented needs should also inform your long-term strategic plan. The more you respond to what your community defines as its needs, the more likely you are to get local support and funding.



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# Incorporation as a nonprofit

- ◉ When you are ready to formalize your status as a community-based pet rescue organization, you will need to file Articles of Incorporation as a nonprofit organization with the organization that governs corporations within your state. Usually this entity is the Secretary of State.
- ◉ You can hire a lawyer to file your Articles, or a corporations specialist, but this task has been made so easy with internet filing that you really should check into doing it yourself.
- ◉ Most states have online forms that you can fill out to create your Nonprofit Articles of Incorporation. You can even file and pay your filing fee online, and get an electronic certified copy instantly!



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# Incorporation as a nonprofit

- ◉ If you plan to seek federal tax exempt 501(c)(3) status, make sure you include the required dissolution clause in your Articles of Incorporation. (See “Applying for federal tax exempt status” later in this presentation.)
- ◉ However you decide to file, you will need to identify a Registered Agent. This is someone who will agree to accept service of process (notification of a lawsuit) in case the corporation is ever sued.
- ◉ Check the website of your Secretary of State’s office for specific details on how to incorporate as a nonprofit organization within your state.



# Bylaws, policies and procedures

- Every organization needs documentation of the rules and processes by which you agree to operate. With well-formulated bylaws, policies and procedures, everyone will know ahead of time what is expected of them, and how to approach problems.
- Documenting your policies and procedures in writing also saves work for those who come after you!



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# Bylaws

- ◎ Your bylaws are the supreme governing document of your organization. They state your organization's purpose, who may be a member, how officers and board members are selected and their duties, how votes are decided, and even how the bylaws themselves can be changed.
- ◎ You get to write your own rules (providing they comply with state and federal law)...but once your bylaws are in place, you have to follow them! Contact the office of your Secretary of State for any specific legal requirements for bylaws.





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# Bylaws

- Many nonprofit organizations are willing to share their bylaws to serve as models as you develop yours. Some examples are available at:

<http://foundationcenter.org/getstarted/faqs/html/samplebylaws.html>

[http://www.asPCA.org/site/PageServer?pagename=aspcaprol\\_landing](http://www.asPCA.org/site/PageServer?pagename=aspcaprol_landing)

- DON'T just copy another organization's bylaws! You can use a sample for formatting and language ideas, but make sure your bylaws really reflect the rules you plan to operate by.
- Your bylaws should be a living document that you refer to often, especially during board meetings, to guide your board's actions.
- You will need to include a copy of your bylaws if you file for 501(c)(3) tax exempt status.



# Federal Tax Exempt 501 (c)(3) status: why apply?

- ◉ So that your organization is exempt from paying Federal income tax (but not from filing a return!)
- ◉ To be eligible to offer your contributors a tax deduction for their donations
- ◉ To qualify for bulk postal rate privileges
- ◉ Most grant funders, foundations and corporations make 501(c)(3) status an eligibility requirement



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# Applying for Federal Tax Exempt status

- ◉ This is a very complicated process; you'll probably want to enlist some professional help from an accountant, tax attorney or nonprofit specialist familiar with 501(c)(3) applications.
- ◉ You can download Form 1023 and Instructions from [www.irs.gov](http://www.irs.gov) to learn about the application process.
- ◉ Make sure your corporate organizing documents are in order. The IRS requires specific language in your Articles of Incorporation discussing what will happen to your organization's assets if the corporation is ever dissolved. This language is described in the application instructions. Review Form 1023, and amend your Articles, if necessary, BEFORE you submit your 501(c)(3) application.



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# Applying for Federal Tax Exempt status

- Other documents you will need to prepare for your 501 application include: written Conflict of Interest Policy (sample provided in Form 1023 instructions), narrative discussion of your activities and fundraising plans, and financial information going back three years, or current year plus two years budget projection if you are a new organization.
- Depending on their backlog, it can take the IRS anywhere from one month to one year to make a decision on your application. Plan ahead!



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# What's Next?

In Parts Two through Eight of this Nonprofit Management Series you can learn about:

- ◉ Board Development
- ◉ Strategic Planning
- ◉ Fiscal Oversight/Fundraising
- ◉ Community Awareness/Public Relations
- ◉ Human Resources: Staff and Volunteers
- ◉ Assessment and Evaluation
- ◉ Administrative Tasks/Meeting Management



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# Questions or Comments?

For more information about these topics:

Download the complete  
Nonprofit Management Series at  
[www.maddiesfund.org](http://www.maddiesfund.org)

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