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## **How to Start a Nonprofit | Step 3: Incorporation and State Forms**

Once you have a solid foundation for your organization, it is time to begin the process of incorporation. State laws and regulations around forming nonprofit corporations vary from state to state. We recommend that you connect with your local [state association of nonprofits](#) for state-specific resources.

The National Council of Nonprofits does not provide legal advice, and the information that follows is provided only as general background information. We advise consulting with local legal counsel or CPAs experienced with charitable, tax-exempt organizations to ensure you follow the proper process for starting your organization.

There is also a DIY option. Determine which state agency, generally the Secretary of State of your state, regulates the formation of corporations and look for published guidance on the state's website for starting a nonprofit corporation. In some states the terminology is "non-stock" or "not-for-profit" corporation.

Below are the basic steps. Regulations differ greatly from state to state, so this listing should not be considered comprehensive and is not a substitute for professional guidance.

- Reserve/register the intended name of the nonprofit corporation to make sure that no one else has created a nonprofit of the same name.
- File Articles of Incorporation (called a "certificate of incorporation" in some states.) Some states require supplemental information, such as:
  - Certificate of Disclosure
  - Designation of an agent (usually requires a physical address)
  - Proof of Corporate Name
  - Filing fees - be sure to follow the instructions on the forms and pay all applicable filing fees.
- Extra steps, depending on state:
  - In many states you must publish the articles of incorporation a certain number of times in a local newspaper, then file proof of publication with a state agency.
- Samples to consider:
  - Prepare and adopt [bylaws](#)
  - Prepare and adopt a [conflicts of interest policy](#)
  - Prepare and adopt [compensation policies](#)

After incorporation, your nonprofit will be eligible to open a bank account and apply for insurance. Note that filing for tax-exempt recognition at the state and local levels needs to happen AFTER the IRS issues a "Determination Letter" of your organization's tax-exempt status.

**Ongoing reporting:** Now that your nonprofit is incorporated, it will need to maintain its good standing as a corporation in the state by (a) keeping up with annual or bi-annual filings with state entities; and (b) possibly, depending upon the state, register to legally fundraise, also known as [charitable solicitation registration](#).

Also, be aware that even before your nonprofit has received recognition as tax-exempt by the IRS it may be required to file tax returns in the state where it was incorporated. For instance, if an organization in this situation (incorporated but not yet tax-exempt) has income, the income should be reported. We encourage you to check with tax preparation professionals for advice.

Once your organization has incorporated, it is time to move on to [Step 4 | Filing for Federal Tax-Exempt Status](#).

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