

Follow Your Organizational Path: A Written Guide

- If you said “NO” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, you have created an unincorporated association.
- If you said “YES” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, and your organization is NOT a nonprofit, you must choose a for-profit organizing structure.
- If you said “YES” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, and your organization is a nonprofit, and your corporation DOES fall under one of the 501(c) classifications, you will have the option to register as that 501(c) organization.
- If you said “YES” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, and your organization is a nonprofit, and your corporation DOES NOT fall under one of the 501(c) classifications, but relies heavily on donors, C-corporation may be a good option because this is the IRS default type and donors are more familiar with this structure and more likely to invest in them.
- If you said “YES” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, and your organization is a nonprofit, and your corporation DOES NOT fall under one of the 501(c) classifications, but relies heavily on donors, you could also consider S-corporation. S-corporation may not be as desirable as C-corporation to donors but if you qualify to be an S-corporation, the organization is not double taxed.
- If you said “YES” to “do I plan on incorporating (registering with my state) my mutual aid organization?”, and your organization is a nonprofit, and your corporation DOES NOT fall under one of the 501(c) classifications, and you are worried about potential liability or engaging in an activity that has substantial potential for liability, a LLC or a hybrid method may be more desirable than C or S corporations as it affords the shareholders increased protection from liability.