**SOCIAL JUSTICE 102 CREATING NON-PROFITS**

**FROM THE DESK OF THE DEAN**

**DIFFERENT TYPES OF NON-PROFITS**

**TOPIC 1**

**Nonprofit Organization**

In the United States, there are over 1.6 million nonprofit organizations. Nonprofits serve the public interest and are mostly categorized as tax-exempt by the IRS. There are 27 different types of nonprofit organizations. Each designation has its own set of rules for:

* Eligibility
* Lobbying
* Electioneering
* Tax-deductible contributions

**Public charities, foundations, social advocacy groups, and trade organizations** are common types of nonprofit organization. Any profits generated by these organizations is not distributed to shareholders or owners. Additionally, nonprofits do not issue stock.

**Social Advocacy Groups**

Social advocacy groups are classified under 501(c)(4). Social advocacy groups lobby or promote some sort of social or political effort. Funds typically come from donations or membership dues. Examples of social advocacy groups include Greenpeace, NAACP, ACLU, and the National Organization for Women. They also engage in fundraising, lobbying, and efforts to educate the general public about their cause.

**501(c)(3) - Charitable Organizations**

Most nonprofit organizations fall under 501(c)(3). This includes religious, educational, charities, scientific, and literary organizations. Donations made to 501(c)(3) groups are tax deductible.

Public charities are the largest type of 501(c)(3) with nearly 1 million registered in the United States. Some examples include food banks, museums, art groups, amateur sports, colleges, low-income housing organizations, and animal welfare organizations. Charities are typically funded through donations, government grants, or membership dues. All income for 501(c)(3) groups are

tax exempt.

**Foundations**

There are an estimated 103,430 foundations in the United States. Typical missions include funding other nonprofits and sponsoring events and programs for awareness or education. Most foundations focus on finding worthy nonprofit organizations to support through donations and guidance. Foundations are usually established by wealthy individuals or businesses.

In order to remain classified as a foundation, it must donate a certain portion of its income on an annual basis. This is to prevent the misuse of a foundation for personal gain or tax avoidance. Foundations are also prohibited from any sort of political activity, although it may support organizations that engage in political lobbying. Two examples of well-known foundations are the Bill and Melinda Gates Foundation and the Ford Foundation.

**TOPIC 1**

**DISCUSSION QUESTION 1**

Explain the differences in at least 3 types of non-profits.

**DISCUSSION QUESTION 2**

Select 2 well known different types of non-profits and explain each of their missions and visions.

**DISCUSSION QUESTION 3**

If you start a non-profit – do you need to create a business entity or just having the non profit work and why?

**DISCUSSION QUESTION 4 with the Dean**

**PLEASE SET UP A PHONE CALL OR ZOOM CALL WITH THE DEAN FOR 15-30 MINUTES.**