

Ready to Start-Up? Self-Assessment Tool

If you are considering forming a New Jersey non-profit corporation and applying for IRS 501(c)(3) recognition, sound preparation will both facilitate the process of forming and, more importantly, increase your organization's potential for success. The following is a **self-assessment tool** that you can complete with prospective board members to help you determine if you are ready to start up. We recommend that you respond to these questions honestly and to the best of your ability. Although detail is not needed here, it will be important later as you go through the process of formation.

If you cannot answer many of these questions, we suggest you take a little more time to investigate those areas before deciding if formation is right for you.

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1. Have you read **completely** the Center for Non-Profits' booklet, [Thinking of Forming a Non-Profit? What to Consider Before You Begin?](#)

Yes No

2. Do you have a business plan?

Yes No (If not, you should prepare one that at least addresses the questions below)

3. What is your proposed mission or purpose?

4. Does this mission focus on providing a 'public benefit' (either to the public at large or to a subset of the public that is recognized to have a need that would meet the IRS' criteria for 'charitable activity' or a 'public responsibility')? [See [IRS Publication 557](#) for a description of eligible 501 (c)(3) purposes.]

Yes No

5. What is your target population and the geographic location you intend to serve?

6. Do you have evidence of demonstrated need for the program or service you intend to provide?

Yes No

This is a tool for your guidance - please do not submit to the Center for Non-Profits. See <http://www.njnonprofits.org/FormingNP.html> for other resources. This document is provided for general informational purposes and does not constitute legal advice or a legal opinion. For answers to specific questions concerning your situation, you should consult a knowledgeable attorney who can advise you regarding your particular circumstances.

7. Do you have evidence that the beneficiaries you hope to serve will either seek out or accept the benefits you propose to deliver to them when offered?
 Yes No
8. Have you explored other organizations that provide similar services:
- To avoid duplication of services?
 - To identify unmet needs?
 - To learn about factors for success and pitfalls to avoid?
 - To build alliances & potential collaborations?
 - To understand and adequately describe to funders, constituents, board members and others the differences between your organization and others that may appear similar?
- Yes No
9. Have you considered possible alternatives to creating a new, independent organization, such as adding a program to an existing organization? Operating under the auspices of a “fiscal sponsor”?
 Yes No

If Yes, briefly describe what you have explored and, if possible, why the alternative was not suitable or sufficient to achieve your goals.

10. Who is presently committed to working on this organization and in what capacity?
- How many board members do you plan to have? _____
 - How many are currently committed? _____
11. Do you know who your Registered Agent will be (requires a NJ mailing address)?
 Yes No

12. Do you understand that a charitable non-profit typically does not have 'owners' and that individuals generally cannot have an ownership interest or derive a personal benefit from their connection with a charitable non-profit?

Yes No

13. Do you understand that no individual "controls" a nonprofit organization, and that founders, board members and staff can be "terminated?" (For example, the board may adopt "term limits" for board members; the board may choose not to re-nominate a board member; employees may be fired; etc.)

Yes No

14. Do you have - or do you have a solid plan to secure - support or skills in the areas needed for your organization's success? Examples include:

<input type="checkbox"/> Yes	<input type="checkbox"/> No	Funding – short-term for startup AND long-term
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Financial management
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Governance
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Outreach/communications
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Legal compliance
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Planning
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Facility and equipment
<input type="checkbox"/> Yes	<input type="checkbox"/> No	Technical or professional, if needed (social workers, educators, etc.)

15. Do you have a viable financial model for the organization and a clear plan to sustain the organization financially?

Yes No

16. Do you have a plan for communicating with your clients, supporters and community?

Yes No

17. Have you established a plan or system to evaluate your organization's efforts and their results toward implementing your mission?

Yes No