

## Alternatives to Starting a Nonprofit

### Not sure starting a nonprofit is right for you?

- Fiscal Sponsorship can be a great way to gain tax-exempt status when you want to focus on fulfilling the mission or purpose of your project without the need to create and manage a whole new organization and administrative structure. Fiscal sponsorship is the practice of **non-profit organizations** offering their **legal** and **tax-exempt** status to groups engaged in activities related to the organization's mission. This option can be particularly helpful for short-term projects or pilot programs. **Learn more about fiscal sponsorships**
- Consider **starting a business**: **The North Coast Small Business Development Center** has staff and resources to help you get started
- Or perhaps a **hybrid business model** that seeks to meet a social mission while maximizing profit and return to investors. At the federal level, this model is and known as the L3C, or low-profit limited liability corporation. At the state level in California, this model can take the form of either the California Benefit Corporation or Flexible Purpose Corporation. Both private investment and philanthropic capital are able to support development of these businesses, however investors are not eligible for tax-deductions because this is a for-profit model.

### Check out these links for more information on hybrid corporations:

- **Venture Beat**
- **Americans for Community Development**
- **Cooperatives Rock!** Check out options for starting a worker owned, consumer, producer or purchasing co-op. **National Cooperative Business Association** has resources and information to inform your decision and planning process.