Northside Reading Circle — Business Plan

Nonprofit organization in Minneapolis, MN · Startup plan

Executive summary

Northside Reading Circle is a new nonprofit in Minneapolis, MN offering a core program delivered in the community; volunteer recruitment and training; fundraising: individual donors, grants and events; and partnerships with schools, agencies and local businesses. The model is one program delivered well, results measured from the first session, an engaged board, and a funding mix that starts with individual donors and volunteers.

Startup budget: $18,826 across 10 items, funded from savings. Target: $8,000 in monthly funding.

Twelve months from now, success looks like this: Three partner schools, 60 students tutored weekly, two recurring grants and a monthly-giving program

Products and services

Northside Reading Circle's core work is a core program delivered in the community. The program runs on a written schedule with trained volunteers, results are recorded every session, and nothing new is added until the first program is working.

- A core program delivered in the community
- Volunteer recruitment and training
- Fundraising: individual donors, grants and events
- Partnerships with schools, agencies and local businesses

Market analysis

The organization serves its program's participants, and it is sustained by the donors, funders and partners who want to see that work happen — each needs to see results in plain numbers.

- The people the mission serves — the program's participants
- Individual donors who care about the cause and want to see results
- Foundations and government programs that fund this kind of work
- Local businesses, schools and agencies that partner or sponsor

Marketing strategy

Most supporters will hear about Northside Reading Circle through word of mouth — participants, volunteers and partner organizations — with Google confirming the organization is real when someone looks it up. A website with the mission, results, a donate button and volunteer sign-up, plus regular email updates, turn interest into gifts and hours.

- Word of mouth from participants, volunteers and partner organizations
- Google Business Profile and Google — your cause plus your city, and the nonprofit itself by name
- Email updates and social posts that show the program's results
- Grant databases, community foundations and local government funding notices
- A website with the mission, results, a donate button and volunteer sign-up

Operations plan

The founder runs the program and the fundraising in year one, the board meets on a schedule with minutes, every dollar is tracked by fund, and paid staff arrive only when recurring funding covers them.

- A board of at least three unrelated directors, meeting on a schedule with minutes
- One program done well before a second is added
- Every dollar tracked by fund and program — donors and grantmakers will ask
- Volunteers screened, trained and thanked; retention is cheaper than recruitment
- Impact measured simply from day one: people served, outcomes, cost per outcome

Startup costs

What it will take to open the doors, funded from savings.

Startup costs

ITEM	AMOUNT
State incorporation as a nonprofit corporation	$138
IRS 501(c)(3) application user fee	$438
State charitable solicitation registration	$200
Legal and accounting help with bylaws, policies and the application	$1,500
General liability and directors-and-officers insurance (first year)	$1,500
First program costs: materials, space and supplies	$5,500
Website with donations and Google Business Profile	$0
Donor database, email and volunteer tools (first year)	$0
Logo, print materials and a bank account	$550
Working capital (three months of program and admin costs)	$9,000
Total	**$18,826**

Typical range to start a nonprofit in the US: $4,900–$36,750. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website with donations and Google Business Profile: Your Zarla plan includes the website and walks you through your Google Business Profile — a designer typically charges $2,000 or more to build one. Budget separately for a donation processor's fees. Donor database, email and volunteer tools (first year): Your Zarla plan includes a contact list and invoicing with your website; a dedicated donor database can wait until you have donors.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a small nonprofit in the US. Formation is cheap; the program and the reserve are the real budget, and the funding target is what the program needs plus a cushion for late grants.

Typical monthly operating costs for a nonprofit: $740–$15,360 a month, before staff pay.

At $8,000 in monthly funding, Northside Reading Circle would clear up to $7,260 a month before staff pay if costs stay near the low end of the typical range, and recover the $18,826 startup budget in roughly 3 months. At the high end of typical costs ($15,360) that target doesn't cover them — so the cost list, not the funding target, is the number to pin down first.

Typical monthly operating costs

COST	TYPICAL RANGE
Program delivery: materials, space, transport	$500–$5,000
Staff or stipends (many start all-volunteer)	$0–$8,000
Insurance	$40–$210
Donor, email and volunteer software (included with Zarla)	$0–$150
Fundraising and payment-processing costs	$100–$1,500
Bookkeeping, filings and phone	$100–$500

US ranges for a small operation; replace with your own figures as you learn them. Lines marked (included with Zarla) are what those tools cost separately — with Zarla they are part of one monthly plan.

Risks and honest downsides

Every nonprofit plan should say out loud what can go wrong. For Northside Reading Circle, the real risks are:

- Founder burnout — most new nonprofits are one person doing everything unpaid
- Funding is lumpy and late; grants take months and events pay once a year
- The tax-exempt determination takes months, and donors can't deduct gifts until it arrives
- Mission creep — chasing funding for programs you didn't set out to run
- Compliance is unforgiving: missed filings can revoke the exemption and the trust that goes with it

Licenses, permits and insurance

What Northside Reading Circle needs before it can legally trade in the US. Rules vary by state and city — confirm each item with your local licensing office and an accountant.

- State nonprofit incorporation — File articles of incorporation as a nonprofit corporation in your state, with bylaws and an initial board.
- EIN and 501(c)(3) tax-exempt status — Get an EIN, then apply to the IRS (US) for federal tax exemption; donations are only tax-deductible once approved.
- State charitable solicitation registration — Most US states require registration before soliciting donations, renewed yearly.
- State tax exemptions — Sales and property tax exemptions are separate state applications where available.
- Annual filings — The IRS Form 990 series every year, plus state annual reports — missing three years of 990s revokes the exemption.
- Insurance and background checks — General liability and D&O cover; background checks are essential for anyone working with children or vulnerable adults.

Milestones: the next 30 days

The first month's to-do list for Northside Reading Circle, in order:

- Write the mission in one sentence and the first program in one page
- Recruit at least three unrelated board members and draft bylaws
- Incorporate in your state, get an EIN and open a bank account in the organization's name
- File the 501(c)(3) application and the state charitable registration
- Get liability and D&O insurance quotes
- Set up a free Google Business Profile and put a website with a donate button and volunteer sign-up live
- Run the first program session with volunteers and record what happened
- Ask the first 20 supporters for a monthly gift and every volunteer for a Google review

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Appendix: what a funder will ask for

This plan tells the story and shows the numbers. If you take it to a funder, expect to be asked for these documents as well:

- Articles of incorporation, bylaws and the board roster
- The IRS determination letter or the status of the application
- A 12-month budget by program and month, with the funding plan beside it
- Financial statements or bank statements to date, and the most recent Form 990 if you have one
- Letters of support or partnership from schools, agencies or funders
- For a loan, the board resolution authorizing it and any collateral

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