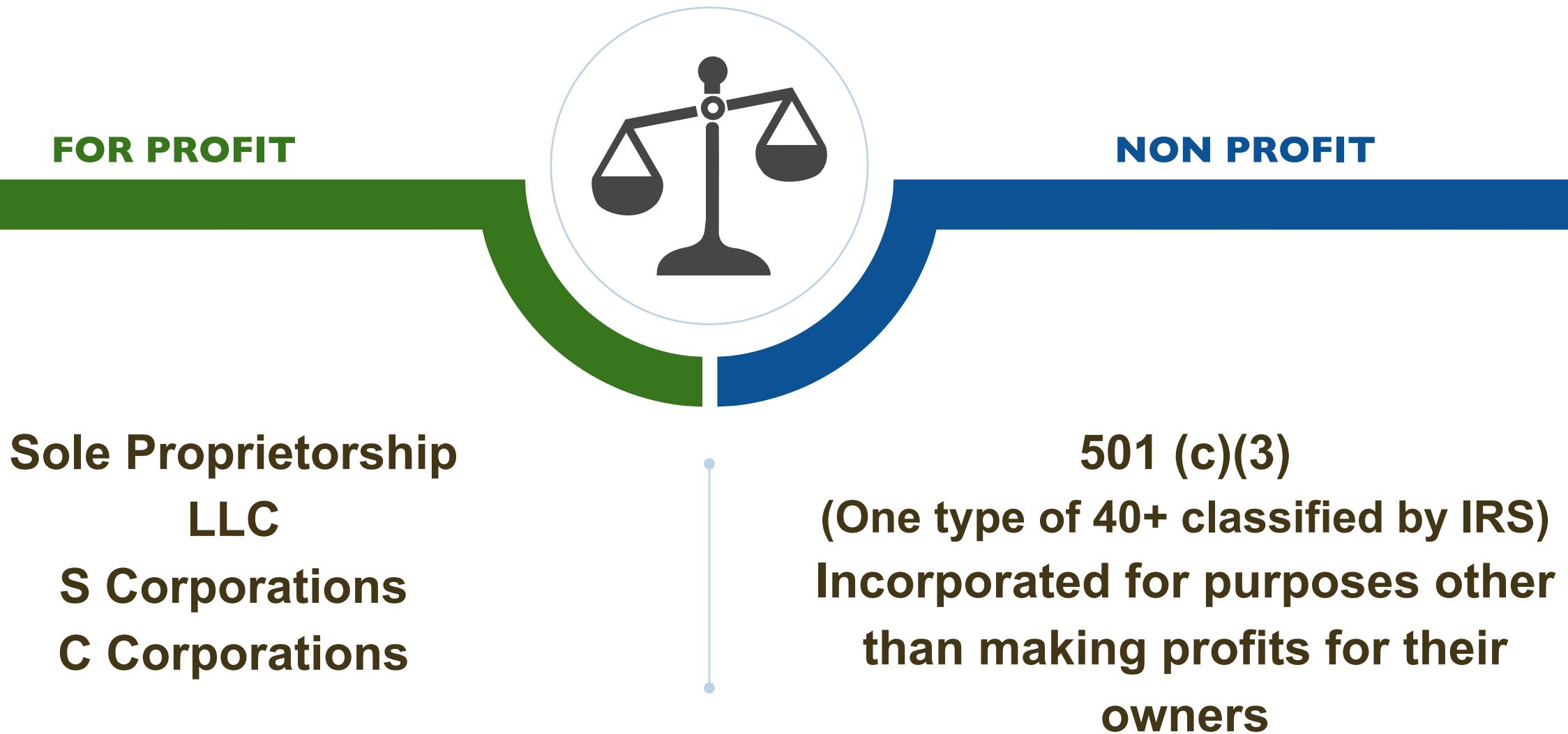




The Differences Between For Profits and Non Profits— And Why You Should Care

Legal Structure



Ownership & Governance

FOR PROFIT

NON PROFIT

Individual(s)



Board of Directors
Committed to the Mission;
Collectively and Ideally Provide
Knowledge/Skills in a Range of
Areas

Purpose & Mission

FOR PROFIT

NON PROFIT

**Providing a Product/Service
&
Making a Profit**

**Fulfilling a Mission
&
Finding Funding**



Staffing

FOR PROFIT

Paid Employees

NON PROFIT

**Paid Employees
&
Volunteers**



Planning

FOR PROFIT

NON PROFIT

Critical

Critical



Analysis
Strategic Thinking
Decision Making
Hard Work

Revenue

FOR PROFIT

NON PROFIT

Fees for Products/Services



**Donations: Public/Private
Grants & Contracts
Client & Membership Fees
Social Enterprise**

Marketing

FOR PROFIT

NON PROFIT

To Customers

To Clients and Supporters



Distribution of Profit/Surplus

FOR PROFIT

NON PROFIT

Business Profits

Operating Surpluses



Financial Controls & Statements

FOR PROFIT

NON PROFIT

Critical

Critical



Audits

FOR PROFIT

NON PROFIT

**Only Required in Specified
Cases**

Required in Most Cases



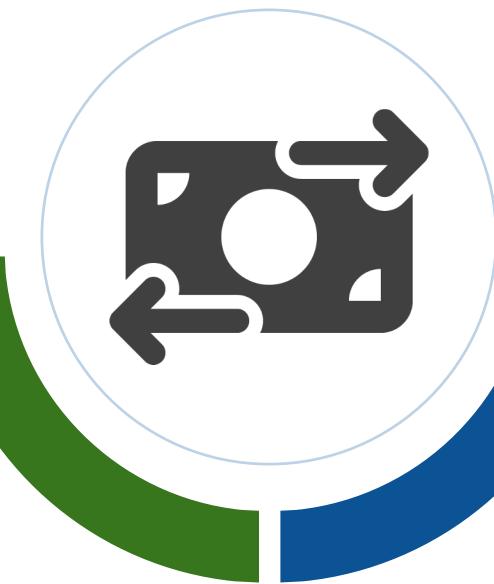
Taxes

FOR PROFIT

NON PROFIT

Taxable Income

Tax Exemption



Compliance

FOR PROFIT

**Zoning
Safety**

NON PROFIT

**Zoning
Safety
Funders' Requirements**



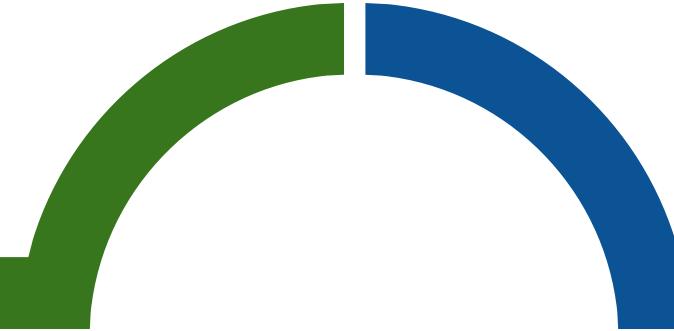
Transparency

FOR PROFIT

Minimal Requirements

NON PROFIT

Extensive Requirements
990 – Share Information Publicly
Funder-required Reports
Annual Reports to Donors



Thank You!

Presented by:

Bob Thomas
Certified Mentor
SCORE Lancaster-Lebanon
313 West Liberty Street
Lancaster, PA 17603
Office: 717-397-3092
Cell: 717-380-7510
Web: score.org/lancaster
Email: bob.thomas@scorevolunteer.org