



# **The Differences Between For Profits and Non Profits– And Why You Should Care**

# Legal Structure

**FOR PROFIT**

**NON PROFIT**



**Sole Proprietorship**  
**LLC**  
**S Corporations**  
**C Corporations**

**501 (c)(3)**  
**(One type of 40+ classified by IRS)**  
**Incorporated for purposes other**  
**than making profits for their**  
**owners**

# Ownership & Governance

**FOR PROFIT**

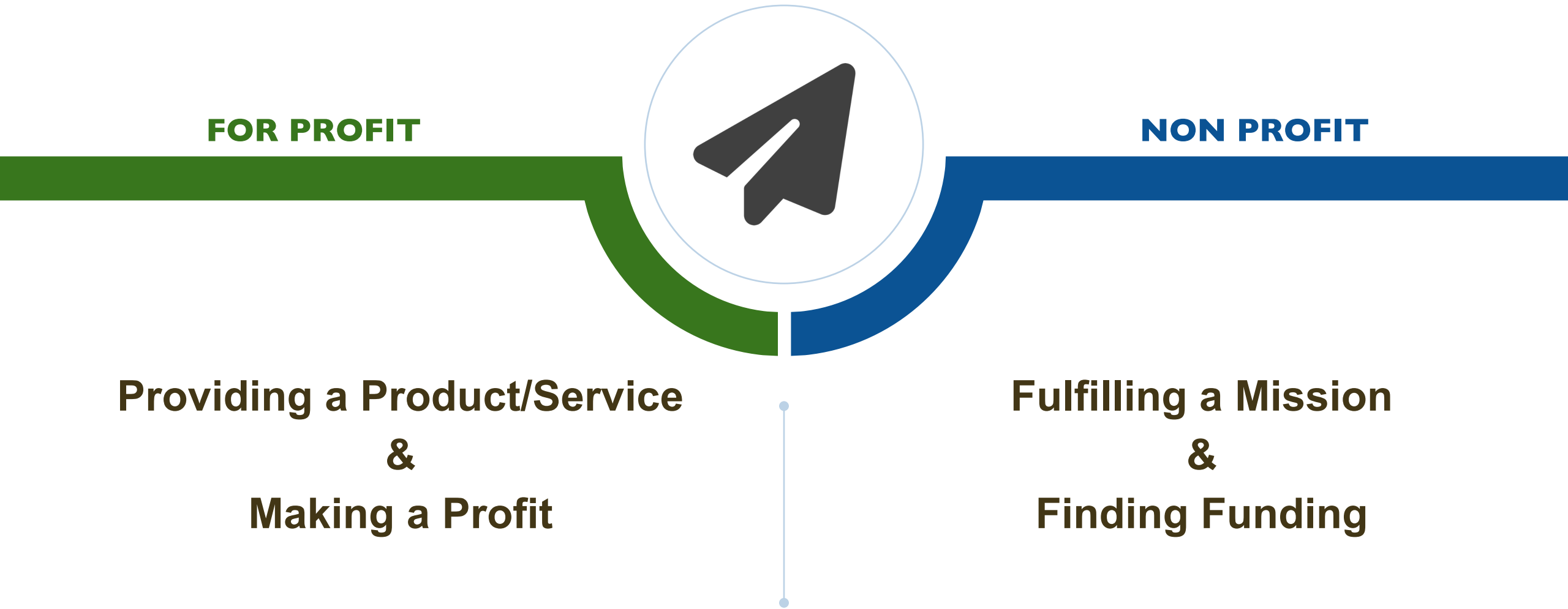
**NON PROFIT**



**Individual(s)**

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

# Purpose & Mission



# Staffing

**FOR PROFIT**

**NON PROFIT**



**Paid Employees**

**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**

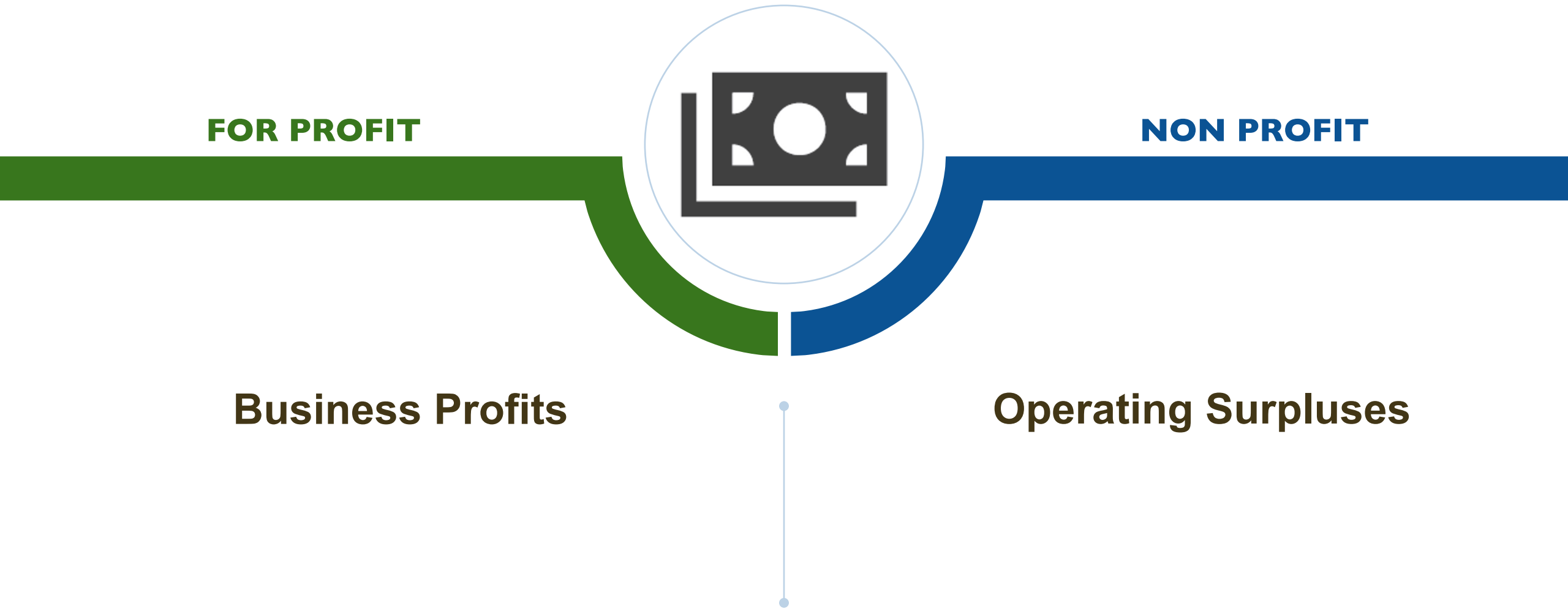


**To Customers**

**To Clients and Supporters**



# Distribution of Profit/Surplus



# Financial Controls & Statements

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**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**

**NON PROFIT**



**Zoning  
Safety**

**Zoning  
Safety  
Fundors' Requirements**

# Transparency

**FOR PROFIT**

**NON PROFIT**



**Minimal Requirements**

**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](http://score.org/lancaster)  
Email: [bob.thomas@scorevolunteer.org](mailto:bob.thomas@scorevolunteer.org)