

thinking of forming a climbing organization?

what to consider
before you begin

A publication of



your climbing future

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Please note that the information contained in this publication is for informational purposes and should not be construed as legal advice. For answers to specific questions concerning your situation, you should consult a knowledgeable attorney who can advise you regarding your particular circumstances.

so, you're thinking about starting a climbing organization . . .

You've identified a need. You want to give something back to your favorite climbing area. You've talked to a few of your climbing partners and they think it's a great idea. You may have even started the process, only to hit a few bumps in the road or come up with questions that need answering. Or maybe the whole idea seems daunting: Which state government agency do you need to talk to? Can't you go straight to the IRS? What forms and reports have to be filed every year? And above all:

Will forming a new organization be the most effective way to reach your goal?

Now is the perfect time to take a step back. Remember what first energized you was a specific need, problem to solve, or issue that you felt needed attention. You are looking for the best way to work on this issue. *That is really your goal—and the foundation for moving ahead.*

This paper covers some important issues to keep in mind as you decide what the most effective medium will be to reach your goal. You'll read about what a non-profit corporation is, some of the legal advantages and disadvantages of forming a non-profit, corporation and alternatives to forming a new organization. However, even with the information provided here, it is always best to consult with the appropriate professional to review your own particular circumstances.

what is a non-profit corporation, anyway?

Most people use the term “non-profit” loosely to refer to organizations such as charities or those working for the public good. In the definitional sense, non-profit corporations are creatures of federal and state law, based in large part on what they do not or cannot do. To make matters more confusing, the term “non-profit” does not have a legal meaning on the federal level. [See separate pamphlet called “Achieving Tax Exempt Status” for information on federal requirements and benefits for nonprofit corporations.] On the state level, it is used to describe corporations that are organized to advance a public or community interest rather than for individual personal or financial gain. Therefore, non-profit corporations may not pay dividends; any surplus must be used to further the organization’s mission/goals.

In short, non-profit corporations are for people, to help them achieve some common purpose. Non-profit corporations play a vital role in the economic and social well being of our communities and nation. They provide a means for people to contribute time, resources and expertise for a greater good.

first steps: building a strong base

As you consider starting a new organization, it's often helpful to start with a broad view and work toward the specifics. However, you may also find that the process is somewhat circular, requiring repeated thought and attention to many issues. This section covers some tips and initial steps, large and small, that you should take to help determine whether you want to move ahead. For additional detail regarding government requirements, refer to the next section, "To Be or Not to Be: The Legal Questions."

Step 1. Keep your mission in the front of your mind at all times

This may sound obvious, but it can be easy to lose sight of your overall mission amidst the details of forming a new organization, legal questions and funding issues. Always be sure that your discussions, plans and actions are mission-driven. Access Fund Affiliates share the Access Fund's mission of keeping climbing areas open and conserving the climbing environment.

Sample Access Fund Affiliates' mission statement:

The **Gunks Climbers Coalition** is an advocacy group dedicated to creating and maintaining sustainable opportunities for responsible climbing along the Shawangunk Ridge and surrounding areas.

The **Ragged Mountain Foundation (RMF)** is a nonprofit conservation group dedicated to preserving natural resources and maintaining public access to Connecticut's high and wild places.

Step 2. Engage a group of interested people. Be realistic, most climbing organizations have 3-10 active members and 20 – 40 members who show up for stewardship projects.

Gathering a group of interested people with the knowledge and skills you need is an ongoing process. Consider people in the climbing community with a stake in

the issue, those with knowledge or expertise about the issue, those with experience working in grassroots and nonprofit organizations, and also those with connections to resources.

Put petitions or sign-up sheets (ask for email addresses) and/or a notice of an upcoming meeting in all of the local climbing shops and gyms. Ask local shops and gyms to send out a notice to their email lists. Post a notice on your local climbing website. Send to all of the website respondents an email that provides an outline of your reasons for starting a group, and includes the time, date and place of your first meeting.

Step 3. Assess the current situation

Comprise a list of critical questions or issues that face your area. Most Access Fund Affiliates work on the following issues:

- outreach opportunities including stewardship projects and building relationships with land managers/owners where climbing is allowed,
- responding to a closure or threat to climbing access,
- funding for stewardship projects

The point is to choose the *most important* issues to address. Typically, organizations set no more than five to seven critical questions or issues/objectives around which to organize.

It is far easier to keep an area open than to try to reopen a closed area.

Step 4. Set Priorities

Prioritize issues taking into consideration the broad approaches to be taken (strategies) and the general and specific issues/objectives. Generate ideas for objectives that will lead to your goal, and then decide which to pursue. Test alternative priorities by asking:

Will it improve access or conservation of the climbing environment?

- Is it easy to understand?
- Is it specific? Will you know when you've reached your objective?
- Will it have an immediate impact?
- Will it contribute to reaching long-term goals?
- Will other climbers want to help?
- Will it establish healthy connections between climbers and with land managers/owners?

- Is it attainable?
- Is it attainable with available resources?

For projects that face opposition, add the following questions:

- Is there a clear decision maker who can deliver the goal?
- Is it attractive enough to raise money?
- Is it deeply felt within the local climbing community?
- Will it help to build organizing skills?
- Will it give climbers a sense of their own power?

Step 5. Draft (and Redraft!) a Plan

Successful planning improves the **focus of an organization** because it provides:

- an explicit understanding of the organization's purpose, values, and objectives
- a step-by-step blueprint for action, including activities and resources
- broad milestones with which to monitor achievements and assess results
- information that can be used to gain credibility with land managers and owners

Successful planning improves **the process of people working together** in that it:

- creates an understanding for why the organization exists and the shared values that should influence decisions
- encourages and promotes strategic thinking and focusing on what is really important to the organization's long-term success

Do some real research into your issue, successful approaches, funding resources, other Affiliates working on your (or a similar) issue, and more. Discuss everything thoroughly with your founding group and write:

- Mission statement
- Methods or activities to reach your mission and vision
- Budget
- Timeline – usually a 3-5 year timeline
- Resources needed—financial, material, and people with specific skills

- Possible resource opportunities—research and start relationships with funding and other resources that are interested in working with your group

Be prepared to answer some questions:

- Is a new organization needed? Or can you work with an existing organization in your state?
- What level of organization is necessary to accomplish your mission and priorities?
- Are there local resources and businesses that are committed to your organization?
- Does your group have all the skills and expertise needed? To manage an organization? To run a non-profit organization? (If needed)
- How long do you think it will take before the organization is running well? How will this be evaluated? What will you do if the organization never takes off as planned?

**Keep
your
mission
in the
front of
your
mind at
all times**

Whatever level of organization is decided, all successful climbing advocacy groups share the following characteristics:

- Open decision-making process
- Shared power and encouragement/development of members to become leaders
- Statement of Purpose
- Accountability from members with a checks and balance system, election of officers in order to delegate responsibilities according to strengths
- Are Access Fund Affiliates – www.AccessFund.org

Step 6. Begin Work

Objectively evaluate the time, energy, and money your organization can commit to addressing and resolving its priorities, and go for it . . .

Government land management agencies have a responsibility to serve the general public, but often serve their perceived constituencies. Climbers have every right to contact appointed officials to discuss climbing access and conservation concerns. You will find that most government employees are helpful and willing to work with you. Be rational and well organized. As a rule, agencies move slowly. Be prepared and be patient.



Inform your local officials that you wish to be informed of all deliberations relating to climbing. Be specific in requesting policy changes, and in discussing particular climbing areas. Ask them how your local climbing organization can help them. Also, let them know that you appreciate their work.

You may also need to get involved with elected officials. This can range from taking a politician climbing, speaking to a politician on the street or over a meal, getting a large group of climbers out to testify at a hearing, or even trying to influence elections.

An Active Advocacy Program can include:

- Representatives to serve as liaison for each park/jurisdiction
- Involvement in open space preservation issues
- Frequent and regular trail work and crag clean-up parties, with other user groups invited/encouraged
- Seek opportunities to be involved in partnerships and other programs
- Sponsor (or co-sponsor) one joint event annually with other user group(s)

Step 7. Monitor and Evaluate

Choose an appropriate length of time for planning and reevaluating. Many organizations use a three-year cycle. This allows enough time for the ebb and flow of activity within the greater framework of the organization's priorities. What is especially important to look at during the re-evaluation period is the quality of thinking and the degree of commitment to the core priorities of the organization.



to be or not to be? the legal question

“Should I form a non-profit climbing advocacy organization?”

This question starts with an in-depth discussion of the organization’s purposes, objectives and proposed operations.

What are the advantages of forming a non-profit corporation and applying for federal tax-exempt 501(c)(3) status? Forming a non-profit corporation (state level) does not automatically mean the organization is 501(c)(3) for Federal tax purposes. Organizations with gross receipts of \$5,000 or more must apply to the Internal Revenue Service for recognition of federal tax-exempt status that allows contribution to such corporation to be tax-deductible. You may need to be able to receive tax-deductible donations or solicit grants from corporations and foundations. These are only a few of the many possible reasons for forming a non-profit climbing advocacy organization.

Advantages

- As a separate legal entity, incorporation inserts a **legal buffer** between the corporation and the directors, officers, members, or other individuals. The assets at risk in a lawsuit or claims of creditors are the corporation’s, not the personal assets of the individual directors, officers, volunteers, etc.
- Non-profit corporation may be **exempt from property taxes** on all or part of their real property.
- Incorporation frequently **elevates an organization’s status** in the eyes of potential donors and the public.

FILING FOR 501(c)(3) TAXEXEMPT STATUS MAY NOT BE NECESSARY IF: Organization’s gross receipts are not normally more than \$5,000 and its purposes are consistent with Section 501(c)(3). However, you may need actual proof of exemption to access some of the 501(c)(3) benefits such as eligibility for grants, non-profit mailing rates, and others.

- Non-profit 501(c)(3) corporations are **exempt from federal income taxes on income related to the organization's exempt purposes**.
- Non-profit 501(c)(3) corporations may **collect tax deductible contributions**, which may greatly facilitate fundraising. Non-profit 501(c)(3) status is often required to receive **grants from private foundations** as well as government grants and contracts.
- Non-profit 501(c)(3) corporations may be **eligible for reduced postal rates**.

Disadvantages

- **It can be difficult to sustain an organization over the long term.** Apart from the time and energy you'll expend in planning your new organization, a newer or less established organization will spend more time and resources on fund raising rather than on program-related activities. Funding can be unpredictable, sporadic, or in worse cases, a dry well. A more established organization may experience a loss of momentum.
- **There will simply be more to do administratively,** once your nonprofit corporation is formed. There will be more paperwork, more programs to be overseen, more meetings to be planned and held, and potentially more staff to be supervised. If you secure funding from foundation or government sources, there will be grants and reports to be written on a regular basis. There are a variety of administrative requirements, such as by-laws, advance meeting notices, minutes, and board election procedures. However, these may not be a net disadvantage because they may force the organization to adhere to good record keeping and internal management.
- **You will have to raise funds.** Once you form your nonprofit corporation, the organization will need to devote energy and time to the task of fundraising. Writing grants and building relationships with funders takes a great deal of time, and these fundraising tasks may pull you away from developing programs or other aspects of your organization. Keep in mind that it almost always takes longer than you think it will to secure your first grants, particularly if you are starting from scratch with a new nonprofit and a new program vision (most funders like to see a track record).
- **Having a nonprofit corporation costs more than not having one.** Having a nonprofit corporation costs more than not having one,

regardless of how you set it up. Even if staff time, facility use, and a number of other expenses are donated, it will still cost you more to have a nonprofit corporation; for example, there are filing fees to maintain your nonprofit status, letterhead and brochures to print, more postage, and additional insurance expenses. Consider these additional expenses as you decide whether to set up the nonprofit corporation.

- At the state level:
 - There is an incorporation filing fee
 - Most organizations are subject to registration and annual reporting requirements with the state Department of the Treasury and the Office of Charities Registration and the Division of Revenue (These requirements may necessitate budgeting for attorney or accountant fees)
 - There may be additional state filing requirements if soliciting contributions or doing business outside of your state of incorporation.
- At the federal level:
 - Organizations filing for 501(c)(3) status (Form 1023) will incur a filing fee (currently \$150.00 for gross annual revenues under \$10,000 and \$500.00 above \$10,000). If professional assistance is required to complete the application, fees could be substantial. Once your form is submitted, you can expect a 3–4 month turnaround time for the IRS to process your application.
 - Influencing legislation is limited for public charities and prohibited for private foundations. For all 501(c)(3) organizations, partisan political activity is strictly forbidden.
- It is not uncommon for non-profit corporations to experience “growing pains” as the organization becomes more established. Consequently, **early board turnover** is not uncommon.

Additional factors which may influence decision to incorporate

- **A Recent Breach of Trust within the Climbing Community.** People who are working together to create a new advocacy organization have to trust each other. If there has recently been a split in your climbing community, or if something has happened that makes a faction of climbers suspicious of new ideas or new people, you may need to wait for understanding to take place before you move ahead.

- **Significant Factions or Conflict in the Climbing Community.** If your climbing community usually breaks into “us and them” factions around key climbing issues, this could hinder your ability to develop a nonprofit. If you decide to go ahead, you will need a strong facilitator and some ground rules for how people who disagree will be expected to interact with each other.

Next Steps

After considering the advantages, disadvantages and other factors, your next steps depend on what structure you’ve determined is right for your climbing organization. If you decide that incorporating a new non-profit corporation is not the best way to reach your goals, there are a variety of options you can consider. If your group decides to work on its own and does not pursue a separate legal existence, the status would be akin to an unincorporated association. Many small organizations retain this distinction, as it may not be worthwhile to incorporate. Your group may file for non-profit status in your state to shield the officers and directors from liability, but not immediately pursue tax-exempt status from the IRS. Filing for 501(c)(3) tax-exempt status may not be necessary if your organization’s gross receipts are not normally more than \$5,000 and its purposes are consistent with Section 501(c)(3).

resources

The following is a small selection of the many resources covering general topics, as well as the resources referred to in the articles in this paper. Please consider this list as a starting point.

FEDERAL GOVERNMENT

U.S. Internal Revenue Service

www.irs.gov

Web site includes taxpayer information, including exempt organizations section with downloadable papers and forms. Also operates toll-free exempt organization information hotline at 1-877-829-5500. Look for:

Paper 557, “Tax-Exempt Status for Your Organization,” Paper 4220, “Applying for 501(c)(3) Tax-Exempt Status,”

FirstGov for Nonprofits

www.nonprofit.gov

Portal to numerous federal departments and government information of interest to nonprofits.

GENERAL

Access Fund

www.AccessFund.org

Non-profit climbing advocacy organization working to strengthen climber activism on the local level.

See also: *Incorporation and Tax Exemption for your LCO*

Accountability Standards— Independent Sector (IS)

www.independentsector.org/issues/accountability.html

Independent Sector (IS) is a national organization working to strengthen and partner with non-profits and philanthropic organizations through research, networking, and encouraging high ethical standards.

American Philanthropy Review's Charity Channel

<http://charitychannel.com>

Web site hosting variety of non-profit discussion forums on fundraising, marketing, academic research, legal issues and more; also has booklists, consultant registers, events listings, job listings and numerous links.

BoardSource—800-883-6262

www.boardsource.org

National membership organization offering comprehensive support and training for nonprofits and their boards of trustees; Web site includes useful Frequently Asked Questions area about board roles and responsibilities.

Free Management Library for Non-Profits

www.managementhelp.org

Hosted by the Management Assistance Program for Non-Profits in St. Paul, MN.

Contains an extensive collection of articles and resource links on all aspects of nonprofit operations—fund raising, evaluation, business planning, human resources, communications and much more.

The Foundation Center—

212/620-4230

www.fdncenter.org

Essential source of information on foundation and corporate giving, as well as other areas of interest to non-profits; publishes wide array of reference books, directories, analyses; web site includes electronic reference desk, online librarians, donor databases, articles, news services and more.

Internet Nonprofit Center

www.nonprofits.org

Large web site includes library of papers and data on finance, volunteering and charitable giving; through “The NonprofitFAQ,” provides information on a wide range of nonprofit topics.



National Council of
Nonprofit Associations

www.ncna.org

National membership organization for state and regional associations that each work to support the non-profit sector in their area.

Nonprofit Good Practice Guide

www.nonprofitbasics.org

A project of the Philanthropic and Nonprofit Knowledge Management Initiative at Grand Valley State University's Dorothy A. Johnson Center for Philanthropy & Nonprofit Leadership. Site covers various topic areas and has a glossary of over 2,500 non-profit terms.

planning worksheet

Mission Statement _____

Assess Current Situation

priority	Name of Climbing Area	Public or Private? Name of Owner	Critical Questions: Is area open or closed? If open, potential threats to access.	Action Items