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The Development of a New Nonprofit and Targeted Programming

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by

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The Clinical Research Project is a graduation requirement for MSW students at St. Catherine University/University of St. Thomas School of Social Work in St. Paul, Minnesota and is conducted within a nine-month time frame to demonstrate facility with basic social research methods. Students must independently conceptualize a research problem, formulate a research design that is approved by a research committee and the university Institutional Review Board, implement the project, and publicly present the findings of the study. This project is neither a Master's thesis nor a dissertation.

Abstract

The purpose of this study is to explore the process of establishing a new nonprofit organization designed for a specific purpose of an intended population and the development of programming to meet the needs of that population. This study seeks to explore how do you start a nonprofit with programming designed to meet the needs of a targeted population? This study inquires into the motivational factors used in the development of the nonprofit organizations and what process was used in developing an organization. This study looks at leadership styles and qualities required to found and run an organization and addressing the needs of the intended population. An inquiry into what barriers exist and how individuals were able to overcome such barriers in the process of starting a new nonprofit organization. This study looks at how individuals were able to obtain funding to start an organization and what their viewpoints of collaboration and credibility are in relation to founding and running a nonprofit organization.

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Introduction

In the words of the late Senator Paul Wellstone, "we all do better when we all do better". To have a passion for helping people and even an idea of what you would like to be able to do is one thing, to follow through with that passion and do something about the problem is another. But how does an individual take an idea, develop a program tailored to meet the specific needs of a population and deliver a service in an efficient, effective, organized manner?

Literature Review

It is clear in the Human Services arena, there are many unmet challenges to delivering services to underserved populations and disenfranchised populations. The complications of starting a nonprofit can be a deterrent for individuals wanting to provide services, (Roberts, Denomme, Perlmutter, 2000). Azburg and Sabin, when chronicling the founding of a new nonprofit field stated, "the road was filled with fits and starts", (2010, p. 379), however this fact alone demonstrates the need to carefully research and learn from previous examples. When considering developing a nonprofit designed specifically to meet the needs of human trafficking victims, it would be essential to understand the scope of the problem.

Human trafficking is an increasingly recognized issue in which the Minneapolis/St. Paul metropolitan area has been identified as in the top 11 Metropolitan areas in which the problem exists. Victims of human trafficking are negatively impacted in almost all dimensions of their life, including relationships, housing, finances, work and work skills, health and wellness. There are not enough shelters for the identified victims or enough resources available to these victims.

The problem is important because victims are being recruited or taken from homes, schools, shopping malls, churches and amongst the homeless. Few problems encompass such a large target comprised of all socioeconomic status, education levels, and family statuses. "More U.S. citizens, both adult, and children are found in sex trafficking than labor trafficking; U.S. citizen child victims are often runaway and homeless youth. And while we are just now paying attention to domestic trafficking, data on the prevalence of trafficking within the United States is uncertain and largely unavailable." (Minnesota Office of Justice Programs; Minnesota Statistical Analysis Center, 2010)

Although there currently are organizations and resources available to meet the needs of human trafficking victim's, there are not enough organizations available. Because the impact reaches all aspects of a victim's life, the service needs required to ensure the victims recovery are great, services need to be available immediately and for the long-term. Therefore how do you start a nonprofit with programming designed to meet the needs of victims of human trafficking?

Developing a Nonprofit

Although the Minnesota Council of Nonprofits lists alternatives to starting a nonprofit, which include; joining an existing effort, starting a local chapter of a national or regional organization, maintain an unincorporated association or finding a fiscal sponsor for your organization (Minnesota Council of Nonprofits, 2014), taking the steps to start a nonprofit can ensure the intended program is designed specifically for the needs of the intended population while filling the gaps in current services available.

Currently, there are five basic steps identified in the usual process of beginning a nonprofit. The first is to make a determination if it is necessary to start a new nonprofit. Knowing a need exists is not enough information to make the determination that a new nonprofit is necessary. Is it possible to add services to an existing program or is another organization willing to provide sponsorship? Joining with an existing organization can be an advantage because many of the steps have already been taken. An existing organization may already have resources that can be used, as well as have an established reputation in the community that can add credibility to the program, and be able to provide administrative support, (Minnesota Council of Nonprofits, 2014).

If after making the decision to continue pursuing a new nonprofit, the next step is to decide on the purpose and mission, which must meet a need, or be for the best interest of the public and serve a common good. Narrowing in on a single mission and a set of goals that can accomplish the mission is important to know what the focus will be. In order to develop the mission, a new nonprofit must analyze who they would like to reach and what services they would like to provide along with how they would like to impact society. The mission statement needs to guide the organization initially as well as through future program development, growth, and change, (Minnesota Council of Nonprofits, 2014).

The next step is to recruit and form a board of directors, dedicated to the new nonprofit's mission and the success of the organization. The initial board of directors will take responsibility for the initial tasks in the formation. These tasks would include determining the mission and goals, naming the organization, writing the articles of incorporation and bylaws, and filing all necessary paperwork. The original board will decide on how to obtain funding and do any fundraising. The board of directors will hire staff as the organization takes shape. The board members will also file for an EIN number and tax-exempt status, write a business plan and budget and register as a charity. The dedication of the board of directors is critical to ensure the organizations success through this complicated and challenging process they will also set the precedents for future board members, (Minnesota Council of Nonprofits, 2014) See Appendix A for a full list of forms and publications to be filed, where to file and the cost for filing.

In the consideration of developing a new nonprofit designed to meet the specific needs of a targeted population, it is important to recognize the existing organizations and businesses that cater to the same population as well as the history of the organizations. Business scholars assert the importance of understanding management styles, decision making and unsuccessful strategies in the history as a way of avoiding policies and procedure pitfalls in the present and future, (Kimberlin, Schwarts, Austin, 2011). When we learn from the past, we can avoid repeating mistakes. Many mistakes can be avoided by giving credence to past failures. Both nonprofit and for-profit businesses can inform the pathway to success by learning from the past.

Stevens developed a model specific to nonprofits adapted from other various models, (Kimberlin, Schwarts, Austin 2011). The stages range from the conception of an idea, through the start-up, growth, and maturity, to decline, turnaround and the terminal phase. Although the general process is to proceed through the steps in order, every organization is unique and the process can vary, (Kimberlin, 2011). During each stage in the process, it is important to focus on different aspects in order for an organization to remain operative. Although the number of stages nonprofits can go through varies, Stevens is adamant that all nonprofits go through stages, (Stevens, 2002).

Using Stevens Nonprofit Lifecycles the seven stages are defined as follows, (2002, p. 26):

> Stage 1: Idea – The stage in which no formal organization, only an idea and a personal mandate to fill a societal, programmatic or cultural gap in the community.

Stage 2: Start-up-The beginning of organizational operations in which unbridled mission energy, and passion reign supreme, but, generally, without corresponding governance, management, resources, or systems.

Stage 3: Growth- The stage in which nonprofit mission and programs have taken hold in the marketplace, but where service demand exceeds, current structural and resource capabilities.

Stage 4: Maturity- The stage of operation in which the organization is well-established, operating smoothly, and has a community reputation for providing consistently relevant and high-quality services.

Stage 5: Decline- The stage in which the organization's services are no longer relevant to the marketplace, self-indulgent, status-quo decisions are made, and declining program census creates insufficient operating income to cover expenses.

Stage 6: Turnaround-The stage in which an organization, having faced a critical juncture due to lost market share and revenues, takes decisive action to reverse prior actions in a self-aware, determined manner.

Stage 7: Terminal- The stage when an organization has neither the will, purpose nor energy to continue to exist.

Policy and Community Engagement

Policy engagement is an area in which opportunities and challenges lie for nonprofit organizations. Nonprofits in the United States account for a significant presence, which is exemplified on the local level, (Chin, 2009). Of all nonprofit organizations, those participating in diverse political activities, such as building relationships on both sides of the political aisle, allows for a prime position for advocacy, input on policy, secure continued resources despite what party is in control and initiate and steer social movements, (Chin, 2009).

Community engagement is an area that can enhance support, resources and bolster credibility. However, it presents challenges as well. Disenfranchised groups, likely to be the recipients of services, can be skeptical and distrustful of formalized organizations, (Roberts, Denomme, Perlmutter, 2000). Because governmental assistance is often stigmatized, certain populations are more trusting and willing to utilize nonprofit assistance when available, (Guo, 2012).

Through policy advocating and community-based planning, nonprofit organizations have the ability to determine or guide the distribution of federal funding for health and social services. As the federal government continues to outsource to nonprofit organizations for health and human services for the provision of services and to entrust state and local levels of government for decision making on distribution of funds and policy making, nonprofit organizations have the ability to inform and shape local policy, (Chin, 2009). Furthermore, through the involvement in shaping policy, an organization can position themselves in line for receiving funding as well. Aligning the organization with funding resources in various arenas keeps the doors open for a variety of funding sources. "An organization with multiple and overlapping human and administrative resources is less vulnerable to disaster when one resource disappears," (Kimberlin, Schwarts, Austin, 2011)

Resiliency and Growth

Nonprofit organizations, like individuals, without resiliency, growth opportunities, and setbacks can become overwhelming and prohibit productivity. Growth must be strategically managed, (Kimberlin, Schwarts, Austin, 2011). A nonprofit organization must expect and plan for periods of decline as well as growth. The stagnation of resources can become a crisis for the organization. "Over the lifespan of a nonprofit organization, periods of proactive growth alternate with periods of reactive resilience," (Kimberlin, Schwarts, Austin, 2011).

"To successfully manage and guide organizational growth, an agency needs to have a strong governance structure in place and an effective leader working in collaboration with the board", (Kimberlin, Schwarts, Austin 2011, p. 11). Organization staff, whether employees or volunteers can present a challenge to management during growth, whether it is insufficient staff or supervision, insufficient training, new responsibilities or unfamiliar settings, or a change in resources (Kimberlin, Schwarts, Austin, 2011). Much like a for-profit business, the objective is to develop a strategy for longevity and quality services to reach an increasingly wider population. The new organization must have a strategic plan for managing growth, changes in resources, expansion of staff and supervision, while staying close to the original mission to assure stakeholders growth and changes will not lead the organization far from the original goals and values, (Kimberlin, Schwartz, Austin, 2011). "Creating a resilient organization is not a one-time activity, but rather requires awareness of the inevitability of expected and unexpected challenges and an ongoing commitment to invest in building the organizational capacity to respond constructively to disruption," (Kimberlin, Schwarts, Austin, 2011). As change happens in the environment, agencies need to adapt to meet the needs and newly formed expectations, (Sowa, 2009).

Collaboration

Collaboration with other nonprofit organizations is a way in which a nonprofit, particularly in the early phases of development can provide more expansive and quality services for their intended population. Currently, to maximize resources, private contributors, funders and government officials encourage and requires agencies to work together to deliver public services, (Sowa, 2009). In order to maximize contributions, both from government and private sources and improve resources and expertise collaboration is necessary. A shared response to a problem can help to achieve legitimacy for an individual organization, (Sowa, 2009). The degree to which an organization is effective depends not only on the outcomes achieved by the organization and population served, but also on how well the organization can manage their programs and collaborate with other organizations, (Sowa, 2009). By utilizing a collaboration, an organization is able to hone their programing to their intended population, understand areas in which they are lacking services and develop relationships with other organizations that may be able to provide services where there is a gap. "Undoubtedly disadvantaged populations will benefit from the joint efforts of nonprofits and the government," (Guo, 2012).

As is clearly understood in the human services field, to assist an individual in achieving improved quality of life is not only good for the individual, but for their family and community as well. This concept can be applied to organizations and the communities in which they operate as well. Interagency collaboration provides the ability to maximize resources, expertise, and outcomes. In an environment in which resources are scarce, the act of collaborating with other agencies can help organizations survive (Sowa, 2009). Partnerships with other agencies and businesses can provide access to resources not otherwise obtained (Jaskyte, Lee, 2006).

Credibility

New nonprofit organizations must be seen as credible in the communities in which they operate. The careful assembly of board members can lend to the credibility of the agency. A board of directors respected in a given field is likely to carry their reputation to the nonprofit organization on whose board they serve, improving the strategic position of the organization. Previous accomplishments of the board of directors will help to build credibility with the groups and individuals that will be necessary for an organization to grow and develop, (Roberts, Denomme, Perlmutter, 2000). Many funding sources prefer to award funding support to people, groups or organizations with a proven reputation in their given field (Roberts, Denomme, Perlmutter, 2000)

Leadership

Effective leadership is essential to a successful nonprofit by both the organization staff as well as the board of directors. The board of directors can initiate a strategic business plan, guide the organization in fundraising and obtaining resources as well as hiring key staff members. The founder of the organization is responsible for recruiting a board of directors. Careful consideration must be paid to what the board of directors can offer the organization in knowledge, expertise, and resources.

In addition to strategic recruitment of the board of directors, the leadership in a nonprofit must be cognizant of effective leadership styles and what will be most pragmatic in a specific setting. The leadership style will impact the goals of the organization, the effectiveness of the organization, the motivation of staff, and the intended recipients of the service as well as the community in which the organization functions. "Organizational viability largely depends in part on effective leadership, (Akhavan, A., Hassan, T. A., Bkar, A., 2010)."

Three theories in leadership styles to consider are servant, transformational, and authentic. Although there are various other types of leadership, these are three common theories to be considered which are currently in use in many organizations.

Servant leadership is "anchored in the human drive to bond to others and contribute to the betterment of the society. An emphasis on service motivation as demonstrated by empowering and developing people with empathy and humility differentiates servant leadership from other leadership frameworks (Mittal, Dorfamn, 2012)". Although there are some disagreement and variations, the primary premise of servant leadership, as defined by Mittal & Dorfman, is humility, relational power, autonomy, relational development of followers and emulation of leader's service orientation (2012, p. 556).

Transformational leadership is "concerned with values, ethics, standards and long-term goals, (Akhavan, A., Hassan, T. A., Bkar, A., 2010)." The connection created when individuals join within an organization elevates the level of motivation and ethics in both leaders and subordinates, (Akhavan, A., Hassan, T. A., Bkar, A., 2010). The ability to make change happens can be seen as a hallmark of transformational leadership. "The subordinates of transformational leaders feel trust, admiration, loyalty and respect toward leaders and are motivated to perform extra-role behaviors", which "results in performance that goes well beyond what is expected, (Akhavan, A., Hassan, T. A., Bkar, A., 2010)." The growth of the organization is emphasized over the individual growth as seen in servant leadership.

Authentic leadership theory is based in ethics, and has been defined by Nichols and Erakovich as, "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision making, (2013, p. 182)". Authentic leaders have a well-developed sense of values and morals and conduct themselves in personal and professional manners to high standards. The main focus is on employees and the stakeholders recognizing their inherent value and what is good for the whole.

Although these three leadership theories have similarities, all seem to have very important aspects that lend themselves to the nonprofit realm. It is important to consider the nonprofit or social service agencies have a slightly different approach than a standard for-profit business. Therefore, leaders focus and style needs to be reflective of the function of the organization. Fisher stated there are nine general skills that have been identified as being important in social service leadership including, community development skills, communication and interpersonal skills, analytic skills, technological skills, political skills, visioning skills, ethical reasoning skills, risk taking skills, and cultural competence/diversity skills, (2009, p. 355).

Targeting Population and Services

Through the development of a new nonprofit, it is essential to understand the base population one would hope to serve as well as the needs of that population. Once the population has been determined, it would be imperative to consider both what the needs of that population, what services are currently available and where the gaps are. With the understanding that every situation and individual are unique, however, a core group of needs can be identified for any group.

In consideration of human trafficking and victims, beyond the initial need of being rescued, the Minnesota Department of Public Safety has identified needs including: Chemical Dependency, Education, Prevention Education, Advocacy, Ongoing Health Care, Family

Reunification, Legal, Employment, Emergency Medical, Mental Health Care, as well as Transitional Housing, Emergency Housing, Foster Home, and Long-term housing, (Department of Public Safety; Office of Justice Programs, 2013). Although those needs are identified specific to exploited youth, a few additional needs can be added including access to dental care, long-term financial planning, transportation, insurance and dependable access to food and other necessities of daily living.

Organizations and Services Currently Available

Lampkin and Boris assert the use of IRS data on nonprofit organizations can be a useful tool in determining what organizations are operating in specific geographical areas and what resources are available (2002). Furthermore, it can provide accurate insight into gaps in services in various geographical locations, which helps in community planning as well as providing opportunities for nonprofit organizations to tailor services for specific populations (Lampkin, Boris, 2002, p. 1694).

Specific to human trafficking, there is a handful of organizations that cater to the needs of this population. All the existing organizations have a different focus, area of expertise and approach. See Appendix B for an outline of existing organizations.

> **Breaking Free**, located in St. Paul, MN provides advocacy, case management, educational and support groups, life and job skills, education program, legal services, relapse prevention group, transitional housing, permanent housing support, street outreach, prison outreach, The John school, and advocacy for public policy and social change. The services are only for females that are victims of prostitution.

Civil Society, located in St. Paul, MN, provides legal services for crime victims of human trafficking and case management. The primary focus is on immigration status and legal implications for the victim. The organization's website has a contradiction on the website regarding who is eligible for services. Case management services are provided when available by a volunteer that does not have training in trauma-informed practices. No shelter services are available, the organization relies on other agencies to provide services.

Polaris Project MN is information available on a national website that is specific to Minnesota organizations that provide services to victims of human trafficking.

PRIDE (Prostitution to Independence Dignity and Equality), through The Family Partnership, which has five locations, three in Minneapolis, Richfield and Brooklyn Park, MN. The organization provides Counseling, advocacy, legal assistance, resources and referrals, case management, education, 24-hour crisis line, outreach and support groups.

Identifying Gaps in Services

Potential new nonprofits can use IRS data as described by Lampkin and Boris, (2002, p. 1692), to substantiate the need for incorporating an organization as well as determining the population and services to be provided in a specific geographical location.

In a review of organizations and services currently available to human trafficking victims, in the metro area of Minnesota, there have been gaps identified. There is no agency that provides all services needed to all possible victims. The first gap is emergency shelters and, short and long term housing. Aside from the emergency shelter through Breaking Free for female victims of prostitution, no shelters are available specifically for human trafficking victims. Therefore, an agency must utilize shelters for homelessness and victims of domestic violence to accommodate human trafficking victims.

Although human trafficking is commonly thought of as a problem for female victims, both male and females can be victimized. Therefore, services must be available to both genders. Similarly, because more types of trafficking exist then human sex trafficking, services need to be expanded to include a variety of victims and services. The length of time services are available can impact the recovery of victims. The problems associated with victims of human trafficking are expansive, and the level of traumatization can be extensive. Therefore, it is imperative that a potential new organization take into consideration the length of time it will take a victim to recover and reach a state of resiliency.

Program Development

A new nonprofit organization must not only consider the existing services and gaps, but to be thoughtful about what is needed, what the desired outcome is and how to implement such services. Fraser and Galinsky, discuss the adaption of prevention programs from public health and consider the identification of risk and protective factors in a given problem and matching them to change strategies, (Fraser & Galinsky, 2010). In the development of a new nonprofit, careful consideration must be given to evidence-based practice when designing a new program. The following table outlines the steps in intervention research:

Figure I. Steps in intervention Research, (Fraser,Galinsky, 2010).

Step 1: Develop problem & program Theories	• Develop problem theory of risk, promotive, protective factors • Develop program theory of malleable mediators

	• Identify intervention level, setting, and agent(s) • Develop theory of change and logic model
Step 2: Specify program structures & processes	• Develop first draft and submit for expert review • Specify essential program elements and fidelity criteria • Pilot program and measures (i.e., outcome and fidelity measures) • Expand content to address training and implementation
Step 3: Refine & confirm in efficacy tests	Maintain high control and test intervention components • Estimate effect sizes and test for moderation and mediation • Develop rules for adaptation based on moderation and mediation tests, community values and needs, other issues
Step 4: Test effectiveness	• Test intervention under scale conditions in multiple sites • Estimate effects under ITT • Estimate effects on efficacy subsets
Step 5: Disseminate program findings & materials	• Publish findings • Publish program materials • Develop training materials and certification

Conceptual Framework

The framework used for conceptualizing this project is one of resiliency and interactive systems framework. Building upon the notion that one of the main goals for any client is to reach a state of resiliency. A significant disruption in one area of an individual's life can cause disruptions in other areas causing the wellbeing of the individual to be compromised. To consider an individual resilient, one would need to treat the individual holistically, addressing all barriers to wellness.

The necessity of working together to provide resources and support to clients is a concept that is recognized by practitioners as a way to maximize resources. It allows for service delivery to the target population with the support of other professionals regardless of their personal skill level in any given area.

The interactive systems framework, (ISF) is especially useful for implementation of programming. "The ISF aims to increase the capacity of practitioners and organizations to deliver innovations with quality," (Ray, M. L., Wilson, M. M., Wandersman, A., Meyers, D. C., Katz, J. 2012). The intent is to create a relationship between stakeholders that is supportive, in order to provide a quality service, (Ray, M. L., Wilson, M. M., Wandersman, A., Meyers, D. C., Katz, J., 2012)

Methods

Research Design

This study is a qualitative design utilizing a semi-structured interview in order to understand the process of starting a nonprofit from accounts of individuals involved in the process firsthand. The semi-structured interview questions, developed by the researcher explores the process of beginning a nonprofit organization, the requirements of leadership in a nonprofit, the development of programing to meet the needs of the intended population and the barriers to implementation.

Sample

The sample for this study consists of individual respondents who have either started a nonprofit organization, have been on the board of directors or who have worked with either during the development of a new nonprofit organization. All the respondents are from an organization which meets the requirements to be called a nonprofit organization, defined as "an entity that was formed for the purpose of fulfilling a mission to improve the common good of society rather than to acquire profits" (Minnesota Council of Nonprofit, 2014).

Purposive sampling based upon the criteria was used to identify potential respondents. Once respondents were identified, snowball sampling was employed to identify additional individuals whose organization met the criteria. Once an individual was referred, and their organization met the criteria, they were recruited in hopes of participating in the study. A total of seven (7) individuals and six (6) different organizations were identified for participation from the seven-county metro area of Minnesota.

Because this researcher is interested in collecting data in regards to leadership and women in leadership roles, an effort to recruit a substantial number of female respondents was made. In total, six (6) interviews were conducted with a total of seven (7) individuals. Of these seven nonprofit founders, five (5) were females and two (2) males.

The respondents were interviewed to obtain data regarding their thoughts, experiences and observations during the process of starting of a new nonprofit organization, and designing the initial programs using a semi-structured interview.

Exclusion factors included individuals from national organizations or local branches of national nonprofits. In an effort to reflect the current climate, process and barriers individuals from organizations fifteen years old or less were considered first. Individuals from organizations founded more than twenty-five years ago presented a challenge to be to identify and locate the founder, or significantly involved individuals. Therefore, those agencies were not included.

All of the organizations were located in the Minneapolis metropolitan area. All of the organizations were originally lead by the founder, although currently four of the six are still lead by the founder. Two additional organizations have plans in the future to have a new leader take over the running of the organization.

The age of the organizations range from three years to twenty-one years in operation. Five of the organizations are seven years or less old, with the newest organization being 3 years old and the oldest being twenty-one years old.

Four of the six organizations were founded by a female, one by a male and one by a married male/female couple.

All organizations interviewed currently have a website.

Three of the organizations interviewed serve youth, three serve the impoverished, and two serve critically or terminally ill children and their families. One of the organizations serves an international population and five serve domestic, local populations. One organization serves every county in Minnesota.

Protection of Human Subjects

Communication was sent to potential participating organizations explaining the nature of the project and asking if said individuals from organizations would be willing to participate. Follow up phone calls were placed in order to identify individuals within the organization who would be willing to participate.

Immediately prior to the interview, the respondents were all provided with a consent form that was approved by the St. Catherine University Institutional Review Board (IRB) in order to ensure the respondent's protection (see Appendix C).

The respondents were professionals and not considered a member of a vulnerable population; therefore, IRB approval for this project was at the expedited level of review. The consent form explained the background and voluntary nature of the study and outlined how respondents would be protected from harm through confidentiality procedures. Further, the respondents had the freedom to choose where the interview will be held and could cease participation at any time. The interview questions were non-threatening and not personally sensitive in nature, and any information that could identify the respondents has been removed from the data used in this study. Finally, all data including the electronic recording of the interview, notes taken by the researcher during the interview, and the written transcript of the interviews has been destroyed following their use for this project.

The researcher utilized two (2) transcriptionists to transcribe the audio recordings. The transcriptionists have signed a confidentiality agreement in order to maintain the confidentiality of the participants, (see Appendix D). All transcripts were destroyed once the data was analyzed.

Data Collection

Interviews were conducted in a setting that was determined by the interviewee. The interviews lasted between seventeen to one hundred and seven minutes and were recorded on a voice recorder. The researcher took additional notes during the interviews. Once the interview was completed, the interviews in their entirety were transcribed. The interview questions were developed after a review of the literature and areas of concern were revealed. The interview questions are attached in Appendix E.

Data Analysis

Findings were analyzed using a grounded theory approach to content analysis. Grounded theory involves inductive coding, documenting analytic decisions via memo writing, and incorporating theoretical concepts and ideas (Padgett, 2008). Grounded theory starts with open coding of the interview transcript using concepts drawn for literature and theories (Padgett, 2008). Coding entails repeated reading of the transcripts in search of descriptive labels (Padgett, 2008). Analyzing each sentence of the transcript and distilling the meaning of the sentence into a word or two leading the development of codes. Themes begin to take shape as patterns in the codes emerged, and linkages between codes are established to develop final themes and subthemes. Respondent's direct quotes will be used to illustrate themes.

Initially transcripts were coded for themes informed by the review of literature conducted. Themes included development of a nonprofit and targeted programming, leadership, resiliency and growth, collaboration and credibility. As other themes developed further review was carried out.

Results

This study contributes to the literature by focusing on the specific experiences of seven founders during the course of starting a nonprofit. Many of the findings were expected, and support the available literature, where other findings were unexpected and had not been discussed in the review of existing literature.

Motivating Factors

Every organization founder interviewed was motivated to start an organization because of the need they saw. In some cases, they experienced a need and did not have a resource to turn to for fulfilling that need, or they witnessed other individuals with needs that were not being addressed. In all situations the individuals wanted to do something to address the problem. One respondent referring to not having specific services available stated “I wasn’t okay with that fact.” Another respondent replied, “There was a need, and it needed to be done.” Other individuals wanted to honor someone’s memory by providing services in their name, pave the way for other individuals and make the process easier, provide comfort during times of crisis, or be a stepping stone out of poverty, seeing their services as a way to enable and minister to other individuals.

The overall theme during this study suggests that people want to take action when they see needs. All seven founder’s responding to this research reported being aware of a need and wanting to provide a solution. One respondent took the step of returning to college to become trained in a specific field with the intent of being able to provide a service to others.

No respondents suggested they felt a moral obligation to society to address the needs they were seeing, however they did have a deep desire to provide something to people that was missing. One respondent spoke of being compelled or led by the Holy Spirit, inferring a spiritual calling, whereas another respondent was adamant their organization was “not religious based.”

One respondent reflected on their motivation, having been traveling to another country to provide services in her field and having her now spouse question why she didn’t provide those services locally, and stating simply “we don’t have that here.” Her spouse quickly responded, “That’s ridiculous, let’s build one.”

The Process

Every respondent referred to doing research in one form or another on what services are available and how to organize a new nonprofit. Some respondents spent more time in the research phase then others. A few of the respondents consulted attorneys to gain insight and help with the incorporation and filing process. A few respondents referred to attorneys that specialize in working with nonprofits.

All respondents referred to identifying what services are available through other organizations. Many of the respondents began the process of starting their organization by collaborating with other organizations and government agencies. For some of the respondents it was about identifying where the lack of services was coming from. One Respondent discussed the idea that there was not an acknowledgement of the need. For other organizations they were looking for what worked and how to best model the services they wanted to provide after an existing organization. For another organization, it was about gathering the limited resources they had and joining forces until they could independently provide resources. Another organization used the idea of collaboration as a way to obtain assistance with the details needed to start an organization, such as renovations and another collaborated in the sense of requesting and existing nonprofit become a fiscal agent for the new nonprofit. Some of the organizations still collaborate to fulfill the needs of the targeted population, while others use collaboration as a way of informing them and adjusting programming to meet the needs.

Only one respondent specifically referred to having a strategic plan, budget and mission prior to incorporating, although it was implied by no less than four respondents. The review of literature clearly found that it is essential for any successful organization to go through this process. Creating a structure is imperative to not only the success of an organization, but the sustainability of the organization as well.

The age of the organization did not impact the research the organizations carried out. However, the founder’s ease of obtaining information is an important factor to consider. The oldest organization reported the limits of the internet presented a challenge then that would not present the same challenge today.

All seven respondents referred to networking with other individuals and utilizing mentors and from other organizations. The type of networking that was done included speaking to professionals in the field or business or similar ones. Respondents inquired about the structure of businesses, what insights into the field professionals had, and used information gained to help inform the process.

The mentors sought out included religious leaders, other organization founders, healthcare professionals and human services professionals. Many of the mentors that were sought out became involved in the start-up of the new organizations. A few of the mentors remained simply a mentor and others continued to provide input or consultation without becoming further involved.

Leadership

Passion and organization were spoken of by all respondents as a necessary quality of leaders through the process of starting a nonprofit. Other qualities required included a willingness to make decisions, being inspired, patience, objectivity and motivation.

Through all the interviews with the seven respondents, a specific leadership style was not brought up; however, there was an indication of all three of the leadership styles represented in the responses. From the review of literature those leadership styles include servant, transformational and authentic. Both authentic and transformational leadership styles seemed to be equally represented by the respondents. I based this assumption on the way the respondents referred to values, long-term growth and the importance placed on the individuals versus the organization as a whole.

Only one respondent referred to what most closely appeared to be the servant leadership style, as stated by the respondent:

> All I knew was somebody should do something about this. I didn't know what this, this was going to look like. So I didn't really even think anything about the end result until I got done with {name of educational institution}. So I spent two years gathering that piece of information and skill and credibility.

And the motivation was "feeling compelled or led by the Holy Spirit." This respondent clearly demonstrated the drive to bond to others and contribute to the betterment of society, and unmistakably believes the organizational growth is elevated over their own need to grow and maintain power as evidenced by their willingness to seek out a new leader better qualified to run the organization.

Three of the organizations seemed to more closely resemble the transformational leadership style. Two of these organizations have researched and found another individual, other than the original founder to lead the organization. The other organization has chosen a leader to take over when the original founders are ready to step down. All three of these organizations have strategically planned for the long-term goals of the organization. All three of these organizations expressed the importance of the values and ethics of the organization. One respondent stated, "For my sake and for the organization's sake that when I thought it was strong enough to attract another executive director, that I would leave." Two other respondents spoke of their "end game" and what that would mean for the organization. They have a successor to replace them, but are aware of the differences in styles and how the intended new leader has more of a managerial style. They showed some ambivalence regarding what that leadership style would mean for the organization.

The other two organizations appeared to resemble the authentic leadership style more. They both demonstrated a high sense of morals and values, and appeared to emulate what they expect from their volunteers, however they did not seem to have a clear set of long-term goals for the organization. They seemed to be very focused on the programs developed and the service delivery to the targeted populations, but not on long range growth or specific goals. For one of these organizations the services delivered are based on what the specific needs and requests are at the time from the intended recipients.

Evaluation

Respondents did respond to questioning in regards to employee satisfaction and evaluation. Most respondents stated that the success of the organization is connected to employee satisfaction, however not all founders emphasized evaluations as in their organizations. One respondent made note of the idea to implement employee satisfaction in their organization after responding to the question in the interview.

Another organization talked about the fact that they pay their employees differently than for-profit businesses so the focus remains on the service the organization provides opposed to the employees needs and performance. That same organization discussed the wages in terms or a living wage versus the standard market rate for the same position noting that employees who are paid a living wage makes good sense, by promoting job satisfaction and longevity of employment. They further stated that they have made an effort to hire employees who have been in poverty, because they “get it”. The respondent emphasized her point by stating, “Two of my {employees} have been homeless, one of them still lives in a camper, parking in a different spot every night.” “They get it when I say remember how hard it was to live in your car.” When you have that kind of personal understanding of the client’s situation, it is not easy to forget your purpose and mission of the organization.

Funding

With every respondent the topic of funding was discussed. In most situations it was the lack of funding, difficulty raising funds or the challenges of being able to qualify for grants. Only one respondent stated regarding their cause “I think the idea in and of itself leads to easy fundraising in some ways,” because of the universal need and understandable difficulties associated with it. In addition they can show tangible results, which makes funders content with the results.

Most respondents discussed the challenges of being able to raise funds, and the difficulty in demonstrating the need and what the funding would be able to provide. Many respondents began raising funds for their nonprofits with family, friends, and individuals familiar with their personal journeys. Two respondents used personal occasions, a birthday, which became an annual event and a wedding as a medium for fund raising. Another respondent called upon a personal friend and mentor who had a positive reputation and network of influence to endorse their first fundraising attempt: “we might have been able to raise $30,000 in our first mailing without {name} but I doubt it.” Further this respondent stated that relationships you have are important, but if you don’t have the right relationships you need to build them.

Another respondent discussed the fact that they would have preferred to have obtained a financial backer before starting the organization. They discussed how in the start-up phase it was difficult to be eligible for grants because they had not built up their credibility at the time. Another organization stated he used his personal funds to begin the organization, and the first significant funding achievement came in the form of a scholarship to attend a seminar.

One respondent discussed using a fiscal agent initially. Until they were established, had the appropriate status and ability to handle the financial aspects of running a nonprofit, they utilized an established organization to handle the finances.

Success

All the respondents were able to talk about successes their organizations have had. The successes cannot all be quantified in numbers, and they are not necessarily transferrable to all organizations. The following successes are based upon the interviewee's personal accounts. Some of their proud moments defy measurement, however large or small they are, they were important to that particular nonprofit founder.

The first interviewees discussed "there are a lot of those." One respondent stated, "It can be as simple as three hundred people showing up for a kickball tournament." Another respondent commented, "Or receiving that first check from a huge corporation, showing us they believed in what we are doing." They further stated, "A very memorable one was when we took a picture of a mother holding her child for the first time in a very long time. That is what it is all about." The second respondent replied, "And that didn't cost anything."

The second founder discussed being able to explain the challenges within their target population and a local government agency and developing a joint effort to provide education.

This respondent proudly pointed to a wall and stated, “Do you see those certificates up there? Those certificates, they were three different times I got awards,” which were recognizing the efforts and a reflection of the success.

The third founder talked about the services they were able to provide, and how much money it had saved recipients of that service. They also talked about being able to give people a second chance, referring to employees. It is important to note this is not their mission, but a secondary philosophy. This specific respondent was very proud of the fact they were granted nonprofit status on their first attempt, an endeavor that is not easy.

The fourth organization discussed having had a lot of successes in the process. “We have done so much, raise awareness, provide some services to families, partnering with other nonprofits.” They talked about the relationships built and growing those relationships the relationships. This respondent seemed particularly proud of “A very successful event, 370 people coming together who care about our mission, who pay to come to dinner. Their main mission has not been met yet, however while they are continuing to work to fulfill that mission, they are still able to provide some services through networking with other organizations.

The fifth organization referred to the projects their organization has been able to accomplish. They have seen an increase in school attendance, in fact it doubled. Also, children’s nutritional needs were being met and parents had a greater understanding of the importance of education. “It was really nice to see how things had transformed.” All inadvertent, however positive results from their work.

The sixth organization discussed how Paul Wellstone had heard of their efforts and assisted in obtaining the appropriate zoning. In addition they were able to complete many of their tasks during the start-up phase through existing networks.

Challenges

Many of the challenges began with funding. Not enough money, how to raise money and needing to take a personal financial risk to start the organization. One founder stated they encountered challenges due to the problem they wanted to address not being recognized yet. Another challenge was regarding credibility. Many funders and grant foundations did not trust the founder due to their age, experience and education level.

Other respondents talked about the repercussions they had seen due to the fact that their services were not available. One respondent talked about, with sadness and regret, an individual who was murdered on the same day they were turned away for services. Another respondent described their personal emotional decline, “it was the times I felt most emotional, it was disappointing and discouraging,” because they have not reached their main objective as of yet. This respondent had spent a significant amount of time over several years researching the needs, traveling to various locations while developing a plan.

Still another challenge was the need for volunteers. Being able to show people the need for the services and gaining a commitment was only part of the problem. Volunteers don’t have the same drive as the founders in general and were only willing to commit to the process depending on their personal life. One respondent noted when they began, all these people were willing to help, “after a year, they were no longer available.” Other challenges with volunteers included their skills and the needs of the organization did not always match. One respondent talked about the need for a grant writer while three other organizations talked about the need to find someone who is skilled in the area of marketing and social media.

Resiliency and Growth

Resiliency and growth were topics that were not discussed in depth during this study; however several respondents did imply that growth is a goal for their organization. For one respondent a significant amount of growth is still needed to reach their main goal even though they have been able to provide services, “we have not reached our hallmark yet”.

Another respondent had been able to share how the organization has grown so much they have been able to add locations, staff and services. However, as the literature indicates, they have gone through stages of decline as well. At one point they needed to slow their growth down, and even close a site in order to ensure the health of the entire organization. Growth and decline is natural in an organization and in order to maintain resiliency, it is important to recognize this and take the appropriate action steps.

With the exception of one organization, the respondents talked about wanting to grow and expand their services. The one exception was content with the services they provided and the population they provide services to, they were however, interested in expanding fundraising.

Discussion

Process

Although every respondent had a unique story of how they had founded their organization, and the steps they followed were not identical. Some of the founders did not initially intend to start an organization, their intent was on being able to address needs, and they went about addressing the needs and came to the conclusion of forming a nonprofit. In the end the basic steps to forming a nonprofit, as outlined in the review of literature were followed.

Two respondents did not recommend forming a new nonprofit, however seeking alternatives instead. One of those respondents stated,

> I always tell people don't automatically go down the road of starting a nonprofit. I mean it can wreak havoc in your personal life you know and still even though we're up and running it's like at the end of the day it's still me and it's hard to be way sometimes because I'm the boss.

The other respondent talked about collaboration with existing organization as a way to address a need without going through the process of starting a new organization. Many of the respondents referred to the networking they had done in the planning and implementing phases.

Research was something every respondent did as an initial step. For some individuals it was all about the research of starting an organization, for others it was more about what services to be offered, and what would be obtainable for the organization to offer. Still other individuals sought out similar organizations to what they wanted to provide. Of note was two organizations searching out organizations in other states or even countries and modeling their programming after an existing organization.

Leadership

Many of the respondents recalled compelling reasons why they were motivated to start a nonprofit. Based on this study, motivation and action imply leadership. However, the leadership qualities it takes to found a new nonprofit organization are not always going to coincide with the leadership qualities it takes to manage an existing organization. If the organization is planning growth, the leadership qualities required to lead an organization during strategic growth would require another skill set. From this research, the transformational leadership style appears to be best suited to found and run an organization through all stages an organization could go through. This is based upon not only the strong values, ethics, and standards, but on the ability to set long-term goals for the organization.

It is interesting to note that one founder was no longer leading the organization they founded, and had completely left the organization. Another founder was still heavily involved with the organization, however they had hired an executive director. A third organization the original founder was currently leading the organization, however they did not intend to always lead the organization. They felt strongly that their skills were best focused in another area of the organization, and it was implied they would continue to work for the organization. Two other founders discussed a new leader taking over the organization, however they had already chosen their successor to be implemented when they left due to retirement as opposed to moving on.

Funding and Credibility

The results of this study show a correlation between funding and credibility. What is the amount of time an organization must be in existence in order to show credibility? This question was not answered during this study, and it seems as if all the organizations seven years and less are still to varying extents still struggling with building their credibility.

Most respondents discussed the challenges in obtaining funding, with one organization recounting their first major success being obtaining a scholarship to attend a seminar and another discussing their first fundraising attempt netting $30,000. Both were a success yet, there is a substantial tangible difference.

Social Justice

One idea that arose during the course of this study was the idea of social justice. Mainly in having services available to the people who needed them. For all the respondents this was a main motivational factor in the development of the nonprofits represented. The innate desire to see social justice was a driving factor that compelled these individuals to take extraordinary action.

One respondent discussed some of the challenges their population served struggles with and how the clients were disadvantaged by the fact that they do not understand certain aspects of their local community. Not only does the lack of understanding impact the individuals, it actually impacts the entire community in numerous ways, a fact that was pointed out to a government agency in order to gain buy in and develop a strategy to counteract the negative impact.

One respondent discussed specifically a motivating factor for starting the nonprofit was the problem they saw in their everyday life that was not being addressed or even acknowledged by anyone at that time. In the process of starting the nonprofit, they were able to gain attention by some very notable local people, who offered their assistance in obtaining needed approvals to become operational. Since that time a number of similar organizations addressing the same problem have emerged.

From this research study, five of the organizations seemed to have a strong commitment to social justice. Of those five organizations, all three leadership styles are represented. A clear connection between leadership style and the level of commitment to social justice could not be determined.

Personal Factors

One respondent referred to their emotional decline due to the fact they had not reached their main goal yet although the organization had made significant achievements and impacted many lives. Another respondent discussed the turmoil in their personal life which is in direct correlation with founding an organization.

It is unclear if individuals starting a nonprofit understand the total life encompassing commitment they are undertaking when they start an organization? The commitment needed to start a nonprofit organization is in large part dependent upon the size of the organization, the scope of services, and who is willing to assist in the process. The founders participating in this study spoke of the all-consuming task it became. Without a personal drive and determination, they may not have been able to achieve the success they ultimately did, and help the people they have.

For two respondents, their motivation started with the desire to provide a service for individuals who are generally emotionally distraught, frequently financially compromised and unable to immediately change the situation. Although they had an impressive network of supporters, emotionally, financially and professionally, the founding of the organization had taken a toll on their personal lives. "For the first time in seven years we recently took a vacation." The responsibilities of the organization has made demands on their time they hadn't expected.

Another respondent discussed how life altering founding a nonprofit had been for them. They were constantly thinking of the organization for a myriad of reasons like raising funds, hiring staff, building the reputation and so forth. "I recommend people interested in forming a nonprofit think long about other possibilities before going through this process". "All of friends with children have at one time or another said if they really, really knew what they were getting into they probably wouldn't have done it". "I didn't know what I didn't know" another respondent stated when referring to the process of starting a nonprofit. An individual can feel so passionate about an idea and work so hard to see it to fruition, that they don't stop to think about what that would mean for them personally. They had implied the organization consumed not only their professional life, but their personal life as well.

Several of the respondents spoke of how overwhelming the entire process was. One respondent discussed how "you lose a lot personally." The organization they had founded turned their birthday into an annual fundraiser. The respondent stated they found it amusing at the time, however later they began to resent the fact that they became the "founder" rather than an individual person. They later stated they set very stringent boundaries in their professional life today.

The idea of being selfless, and giving up a lot personally was universal with all respondents. One individual stated "I used my own money" referring to how they were able to begin the organization. Another Interviewee used their own wedding as a fundraiser. Someone else talked about the amount of time and money they spent obtaining training for the specific purpose of starting their organization.

It would be reasonable to suggest all of these founders show signs of being selfless. Frequently when someone is acting so selfless, they take complete ownership of the organization they have founded. This level of dedication may come with a risk as one interviewee brought up the idea of "Founder's Syndrome", a phenomenon in which the founder assumes they have the strongest voice and will continue to lead the organization regardless of who might be best qualified to do so. They have difficulty giving up power and control which can sometimes be a detriment to themselves and to the organization.

Implications for practice

Leadership

The leader's role in an organization is essential to providing quality services and for the overall success of the organization. Knowing your personal motivation, talents, skills and limitations are crucial for making decisions based on what is best for the organization and targeted population. Being able to envision and carry out the startup of a new nonprofit is amazing, but the skill set required is not necessarily transferrable to successfully running a nonprofit organization.

Employee/Volunteer Satisfaction

The importance of employee satisfaction has been noted. Employee's satisfaction in their role can have an impact on the effectiveness of the organizations as a whole. In the interest of being an effective organization it makes good business sense to keep the employee's satisfied. However, the limitations of funding and resources impact the salaries and conditions in which employees must operate, which can have a negative impact on their overall satisfaction. When able to, offering a higher wage can ultimately benefit the employee, their satisfaction, the clients being served and the organization.

With volunteers, the same principal applies. Volunteers are motivated by the satisfaction they receive for their work. Being able to find ways to utilize a volunteer that will be satisfying to the individual and beneficial to the organization and ultimately to the clients being served. As demonstrated in this study, volunteers present a unique challenge, in the way of their commitment to the organization can be ambiguous. If they are not carrying out a role they find satisfying, how long will they stay, and will they be able to carry out the role to the extent it should be? If the volunteer's skill set does not meet the role they want to fill, what are your options? To what extent do you focus of the volunteer's satisfaction versus the needs of the organization? Volunteers frequently have contacts to donors and funders a like, which implies an organization should make efforts to keep volunteers interested and fulfilled because they may have influence over financial decisions that can benefit the organization.

Collaboration

By combining efforts organizations are able to maximize resources both human and financial. As Gou discussed, many of our target populations can only benefit from organizations working together to provide quality services to more people, (2012). It is clear, populations are better served when organizations are able to collaborate for resources. The ability to collaborate lends well to building credibility which has the ability to promote additional funding as well. Collaboration has many positive outcomes for the organizations themselves as well as for the individuals or communities being served.

Purpose

Human Trafficking victims have established organizations to address some of their needs and through a review of literature and existing organizations, it would be reasonable to conclude there is a need for additional services in this arena. A new nonprofit organization which can address these gaps in services would be a welcomed entity.

One of the first areas to I would like to address, would be a long-term shelter specific to trafficking victims. Because of the amount of trauma these individuals have inevitably been subjected to, the shelter needs to operate with a trauma informed lens. Security would be imperative to provide a level of comfort and trust for the intended population to feel safe enough to utilize the space.

The organization should have resources to either provide treatment for chemical dependency or establish relationships with other organizations that provide these services and rely on collaboration to meet this need. Onsite individual trauma informed therapy for the victims would be important, however the service provider would need to be sensitive to building a relationship and allowing the victim to proceed at their own pace. Because of the devastating experiences the individual has undoubtedly experienced, the progress would be slow and allow for the victim set the pace. From my limited experience, human trafficking victims have had so many violations in their life, that an aggressive therapist would be perceived as a threat rather than a help.

From the research the transformational leadership style would be the most productive style of leadership to establish this organization, and strategically plan for the long-term goals in addressing the problems associated of human trafficking victims. Being cognizant of the importance of values and ethics in protocol and standard operating procedures is important as well as strategic planning to ensure the resiliency of the organization. A strong board of directors would be essential in supporting this type of leadership style as well.

All of the founders that were interviewed for this project showed incredible motivation. Through the process of conducting the interviews for this project, I was struck by the difference between the servant leadership styles which represented a very successful organization, however the founder seemed to be overwhelmed by the impact to their personal life. The founder’s which represent authentic leadership style seemed content to operate within a seemingly limited ability to reach the intended population. They appear to be effective with the scope of their services, however I feel strongly that incorporating a strategic plan which aims to provide the best services to the most amount of people would be the best approach. The use of collaboration would be essential in ensuring the available resources for the targeted population. By using collaboration to maximize resources, the organization could initially focus on where the gaps in services lie and develop the organization around those needs. All of the participants of this study spoke of collaboration in one respect or another. The review of literature has shown strong evidence which supports the idea of providing more services with the same or less funding is the best way to ensure the targeted population has the most resources available to them.

While intending to develop a new nonprofit with the intent to fill the gaps in services I would be remiss in thinking I would be able to provide all the services the intended population requires. Using collaboration for resources seems to be the best solution.

Through the course of recruiting and conducting interviews, I have learned so much. Many of the participants were intrigued by the reason for conducting this study and offered great insight and information. I was inspired by the commitment and motivation all of the founders discussed. I also feel better prepared to undertake to move forward with my plans of starting an organization. I have been cautioned about the life encompassing drawbacks as well as encouraged by the outpouring of support. I have already began the process of networking which could prove to be invaluable in next phase of this process.

Strengths and Limitations

Strengths

The strength of this study is being able to analyze first-hand accounts of the process of starting a nonprofit and the specific methods of designing programming. The ability to review specific barriers will be pertinent information to document. Founders from six different organizations with very different programming were interviewed to gain knowledge of their perspectives and experiences.

Limitations

The sample size may have been too small to make generalizations regarding respondent's answers. The observations were one observer's viewpoint of their specific process. Being all respondents are from the Minneapolis metropolitan area of Minnesota, the findings may not be generalized for other locations including outstate Minnesota, or other states.

Although the question regarding what founders thought were qualities important to being a leader in founding an organization, a distinction between specific leadership style was not discussed in running the organization. In addition, no questions were asked regarding what leadership style the founder felt they fit into, therefore the researcher made assumptions based upon the information they had gained, which may not be entirely accurate.

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Appendix A

Forms, Fees and Publications

Form	Fee	Submit to	Description
Publication 557	None	N/A	An IRS publication that details the rules and procedures for seeking to obtain exemption from federal income taxes.
Request for Reservation of Name	$35	Secretary of State	Reserves a unique name for the organization.
Articles of Incorporation	$70	Secretary of State	Legally incorporates the nonprofit.
Form SS-4	None	IRS	Applies for Employer Identification (Federal ID) Number
Form 1023and Form 8718	$850 or $400	IRS	Applies for federal tax exemptions under Section 501(c)(3) of the IRS tax code. Must accompany form 8718 (User Fee for Exempt Organizations Determination Letter Request).
Form ST-16	None	Department of Revenue	Applies for exemption from Minnesota sales taxes (Not all 501(c)(3) organizations qualify for this exemption).
Form ABR	None	Department of Revenue	Registers for tax ID number for organizations collecting tax on products or services, or withholding taxes for employees.
Charitable Registration	$25	Attorney General	Registers the organization for charitable solicitation.
Form 990	None	IRS	Files tax return for tax-exempt organizations with gross receipts greater than or equal to $200,000 or total assets that are greater than or equal to $500,000 at the end of the year.
Form 990EZ	None	IRS	Files tax return for tax-exempt organizations with gross receipts less

			than $200,000 or total assets that are less than $500,000 at the end of the year.
Form 990N	None	IRS	Files tax return for tax-exempt organization with gross receipts less than or equal to $50,000
Annual Report	$25	Attorney General	Files annual financial statements.
Annual Registration	None	Secretary of State	Maintains organization incorporation status. Organizations must pay a $25 fee to reinstate its incorporation.

Minnesota Council of Nonprofits

Appendix B

a) **Breaking Free, St. Paul, MN**

Advocacy, Case Management, Educational support groups, life and job skills/Education program, legal services, relapse prevention group, transitional housing, permanent housing support, street outreach, prison outreach, The John school, public policy/social change.

i) Services for victims in prostitution only
ii) Services for females only

b) **Civil Society, St. Paul, MN**

Services available include: Case Management (although not provided consistently or by a trained professional), Legal services for crime victims. Website has some contradictions, primary focus victims of human trafficking

i) Primary focus legal services
   (1) Immigration status
ii) Volunteer case management, no training
iii) Shelter and short and long term housing provided by other agencies.

c) **Polaris Project MN, website for information**

Local organization referrals.

d) **PRIDE (Prostitution to Independence Dignity and Equality), The Family Partnership, Minneapolis,** MN (Total of 5 location in Minneapolis, Brooklyn Park, Richfield.

Counseling, advocacy, legal assistance, resources and referrals, Case Management, education, 24 hour crisis line, Outreach, support groups.

2) **Where are the gaps in service**
   a) Lacking services, no current agency provides all services.
   b) Populations not covered, limited comprehensive services are available for homosexual population, male victims, victims of other forms of exploitation aside form sexual
   c) Length of time services are offered, as a result of complex trauma, the recover process is long, intense and all the needs may require extensive time before they can be identified.
   d) Location of services
   e) There are not enough emergency shelter beds, short term, and long tern housing options.
3) Development of organization
   a) Possible sponsorship
      i) Who are possible organizations that could provide sponsorship
         (1) Catholic Charities
         (2) Mary's Caring and Sharing Hands

    (3) Lutheran Social Services

b) Financial foundation/sources of funding
c) Gaining credibility
d) Who to serve
e) What to do differently

Appendix C

INFORMATION AND CONSENT FORM

Introduction:

You are invited to participate in a research study investigating the development of a new nonprofit organization and targeted programming in the Minneapolis metro area of Minnesota. This study is being conducted by Jodi Castillo, a graduate student at St. Catherine University under the supervision of Lisa Kiesel, Ph.D., a faculty member in the Department of Social Work. You were selected as a possible participant in this research because you have been involved in the development of a new nonprofit organization and the targeted development of programming. Please read this form and ask questions before you agree to be in the study.

Background Information:

The purpose of this study is to examine the process of starting a new nonprofit organization, the successes and barriers in the process and leadership strategies employed from the perspective of individuals who have gone through the process. Approximately 12 people are expected to participate in this research.

Procedures:

If you decide to participate, you will be asked to participate in a semi-structured face to face interview. Jodi Castillo will conduct the interview and will have prepared questions she asks. The interview will be audio recorded and transcribed verbatim. This study will take approximately thirty to forty-five minutes.

Risks and Benefits of being in the study:

This study has minimal risk. Participants may experience an inconvenience in the form of the thirty to forty-five minute time commitment necessary for participation. There are no direct benefits to you for participating in this research.

Confidentiality:

Any information obtained in connection with this research study that can be identified with you will be disclosed only with your permission; your results will be kept confidential. In any written reports or publications, no one will be identified or identifiable.

I will keep the audio recording of this interview session on a password-protected computer, and only I will have access to the records while I work on this project. A transcription service may be utilized to produce verbatim transcription of the audio files, in which case the transcriber will be asked to sign a confidentiality agreement to ensure protection of your information. I will finish analyzing the data by May 18, 2015. I will then destroy all audio recordings, transcripts, and identifying information that can be linked back to you.

Voluntary nature of the study:

Participation in this research study is voluntary. Your decision whether or not to participate will not affect your future relations with St. Catherine University in any way. If you decide to participate, you are free to stop at any time without affecting this relationship.

Contacts and questions:

If you have any questions, please feel free to contact me, Jodi Castillo, at (763) 528-1545 or cast7543@stthomas.edu. You may ask questions now, or if you have any additional questions later, the faculty advisor, Lisa Kiesel, Ph.D., (651) 690-6709 or kies0954@stthomas.edu, will be happy to answer them. If you have other questions or concerns regarding the study and would like to talk to someone other than the researcher, you may also contact Dr. John Schmitt, Chair of the St. Catherine University Institutional Review Board, at (651) 690-7739 or jsschmitt@stkate.edu.

You may keep a copy of this form for your records.

Statement of Consent:

You are making a decision whether or not to participate. Your signature indicates that you have read this information and your questions have been answered. Even after signing this form, please know that you may withdraw from the study.

I consent to participate in the study. I agree to be audio recorded.

Signature of Participant Date

Signature of Researcher Date

Appendix D

Transcription Services

Confidentiality Agreement

I, ____, transcriptionist, agree to maintain full confidentiality in regards to any and all audio files received from ___________related to her research study. Furthermore, I agree:

1. To hold in strictest confidence the identification of any individual that may be inadvertently revealed during the transcription of audio-recorded discussions, or in any associated documents;
2. To not disclose any information received for profit, gain, or otherwise;
3. To not make copies of any audio or computerized files of the transcribed interview text;
4. To store all study-related audio files and materials in a safe, secure location as long as they are in my possession;
5. To return all study-related materials to_____________in a complete and timely manner.
6. To delete all electronic files containing study-related audio files and documents from my computer hard drive and any backup devices upon completion of delivery of transcripts.

I am aware that I can be held legally liable for any breach of this confidentiality agreement,

and for any harm incurred by individuals if I disclose identifiable information contained in

the audiotapes, videotapes and/or paper files to which I will have access.

Transcriber name: ______________________________

Transcriber signature: _________________________

Date: ____________________________

Appendix E

Interview questions

1. What were the motivating factors in starting a nonprofit organization?
2. What was the process you used to start the organization?
3. Tell me a story about a time of particular challenge in process.
4. Tell me a story about a time you experienced a success in the process.
5. What qualities do you feel are required to be a leader while developing and implementing a nonprofit and new programing?
6. What process did you use in determining what need the organization would address? Did you have to make any compromises or leave a need unaddressed, and why?
7. How were you able to obtain the funding to begin the organization?
8. What would you do differently if you were to go through the process of starting a nonprofit again?
9. What are the qualities you look for in a potential employee?
10. What importance or focus do you place on employee satisfaction in the evaluation of program outcomes?