

# The 501C3 Sanctuary; A guide to start up

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Beginning the journey to providing sanctuary for the abused, neglected and unwanted is a path walked by very few and without doubt the finest hour they will ever know.

This guide is intended to stimulate the necessary questions of what, where, who and when. How you determine your mission and carry it out over the life cycle of the business is what will stamp it with your own mark. Starting with a clear picture of needs will help make it a success.

## Section 1, gathering the information and resources

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- 1) Resources
  - a) NPO attorney
  - b) NPO CPA
  - c) County, State and Federal requirements regarding location and procedures
  - d) Insurance carrier: liability typically runs about \$25000 annually. What do they require of you in terms of sanctuary policies to assure coverage.
  - e) USDA requirements and registration
  - f) Veterinary clinic that is willing to dedicate resources to support your needs
  - g) Your board of directors
  - h) Local municipal shelters and animal control (always good to get them in on the front end BEFORE there is an issue)
    - i) Some Questions to answer: (think ahead.. times & regs will change greatly over a decade)
      - (1) What needs to be in the Articles of Association or Incorporation to be legal (EEO/Environmental impact statements/policies re: sexual harassment )
      - (2) Should you have By-laws? What should be in them? There are upsides and downsides
      - (3) Should you incorporate ?
      - (4) What types of activities and documents will be required of you on an ongoing basis to retain the 501C3?
      - (5) Where does your money have to come from and how much from each segment?
      - (6) How does your state status affect your IRS status and vice versa?
      - (7) State Filing Regulations and fees
      - (8) IRS; Application, filings and fees.
      - (9) County/city regulations/documents and fees
      - (10)What other states require you to file if you solicit donations from their residents
      - (11)What could cause you to have your 501C3 or state certificate revoked?
      - (12)What kind of testing /retesting will be required to bring animals into the sanctuary?
      - (13)What are the requirements for quarantine?
  - i) Banking choices

## Section 2: The Business plan

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- 1) Define the Mission and mission statement
- 2) Company Policies & Manual
- 3) Marketing
  - a) Define the markets you will reach for support, such as:
    - i) local community
    - ii) animal welfare / animal rights supporters
    - iii) foundations
    - iv) owners of animals needing sanctuary
    - v) your board
  - b) Define the “products” you offer each market, such as:
    - i) Education
    - ii) community service
    - iii) sanctuary for animals in private homes
    - iv) Rescue/refuge following abuse/neglect
  - c) Define how you will reach each market
    - i) Direct mail appeal
    - ii) Mailed newsletters
    - iii) Electronic newsletters
    - iv) Public fundraising events
    - v) Sales items
    - vi) Grant applications
    - vii) Tours (check USDA and insurance info regarding tours)
    - viii) Others
- 4) Estimate the expected income by product/segment; calculate the estimated income over the first 5 years for a preliminary P&L
- 5) Define direct and indirect costs of operations over the same period (sample)
  - i) Sanctuary operations
    - (1) Feed
    - (2) Veterinary expense
    - (3) Supplies
    - (4) Land upkeep
    - (5) Shelters and fencing
    - (6) Volunteer and employee expenses
    - (7) Equipment rental, operating costs & repairs
    - (8) Bedding
    - (9) Rescue costs (travel, site labor & supplies)
  - ii) General expenses
    - (1) Professional fees: legal fees, CPA, QA testing ( water , feed, soil)
    - (2) Business licenses, fees, permits, Post office permits
    - (3) Dues & subscriptions
    - (4) Insurance
    - (5) Banking costs / credit card processing fees
  - iii) Office expenses

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- (1) Postage & mailing
- (2) Office supplies
- (3) Printing
- (4) Office equipment (non capitalized)
- iv) Auto expense
- v) Meeting expense
- vi) Occupancy
  - (1) Rent/lease expenses
  - (2) Mortgage expenses
  - (3) Utilities
  - (4) Telephones and internet expenses
- vii) Fundraising expenses

## Section 3: Start Up “Boilerplate” needs

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These items will be needed to introduce yourself to your community; prospective funders and some or all will be requested with grant proposals

1. Letter of introduction. Inc. contact info, IRS and State certification dates, dates of incorporation or association, mission statement, other salient info.
2. List of board members and their credentials
3. Mission newsletter or brochure ( what you do, where, why, why your service is needed)
4. Proposed budget for the first 2 years.
5. Other specific brochures and flyers that you will use routinely
6. Video or photo slideshow of facility

Other office needs

7. Optional: Branded Trinkets (pens with logo, bookmarks, Branded Flash drive with your info on it)
8. Sanctuary Thank You cards
9. Letterhead stationary
10. Business software

As you begin the venture into sanctuary operations you will need immediately”

1. Safety Procedures
2. Liability releases
3. Spill procedure
4. Emergency /evacuation procedures
5. Beginning sections of an operations manual for employees/ volunteers
6. List of board responsibilities