

DrupalNYC Inc., A Nonprofit Corporation

Overview

We propose to form a nonprofit New York corporation to support the activity of the New York Drupal community. Once formed, the nonprofit would apply for tax exemption and open a bank account.

Estimated Startup Costs (\$525):

1. Incorporation \$100
2. Legal Guides (published by Lawyers Alliance for NY) \$150
3. Federal Tax Exemption 501(c)3 \$275

Startup costs will be covered under the current DrupalCampNYC (DCNYC) budget currently managed in the Drupal Association's banking institution. The balance of these DCNYC funds will be held to support future DrupalCampNYC events.

There may be additional ongoing, administrative costs around financial administration. This will become clearer as we work, but the present level of activity does not need complex tools.

Scope

DrupalNYC Inc. (DNYC) would be formed for both *educational* purposes, sharing knowledge about Drupal, and *scientific* purposes, contributing to the Drupal open source project.

The posited purview of DNYC:

1. Annual DrupalCampNYC operations
2. *Proposed*: Monthly DrupalNYC meetup, contingent on our ability to maintain the revenue-neutral approach for offering these meetups
3. *Aspirational*: Any Drupal educational event in a calendar year that can maintain the revenue-neutral approach

Governance

Governance will be accomplished by Articles of Incorporation, Bylaws adopted at the initial organizational meeting, and Policies adopted by the Board.

We propose a board of 5 elected directors. Elections would be staggered so that the entire board is not vacated at the same time. Therefore, some positions will be for 2 years and others for 3. The bylaws will provide for filling mid-term vacancies in a manner that maintains the staggering. The board is proposed to be composed of::

1. Chair (2 year term - elected every other year)
2. Deputy Chair (2 year term - elected every other year)
3. Director (3 year term - 1 elected each year)
4. Director (3 year term - 1 elected each year)
5. Director (3 year term - 1 elected each year)

The Board would appoint a Secretary for a one year term and a Treasurer for a two year term, which may or may not be a Director.

DNYC posits a revenue-neutral approach to operation of Drupal educational events in the City of New York. The philosophy of revenue-neutral is that any event costs would necessarily be replenished by the event itself. Further, DNYC commits to keeping funds on account for the subsequent years' planned events at the end of each calendar year, vs continually operating 'by the seat of our pants' as so many such organizations suffer. DNYC currently has operating capital of over \$8,000, which can cover costs for the very next annual DrupalCampNYC. Subsequent funds will replenish the budget via sponsorship dollars and modest event registration fees.

Financial Controls

DNYC general ledger (GL) shall remain transparently available to any community member. The current DCNYC GL is maintained in a MS Excel file that the Drupal Association has managed with us. This can remain the process, or we can migrate to Google Sheets or some online bookkeeping tool. The details of which software will not be decided at this time, but the strategy of transparency must remain.

DNYC will have a local bank account - funds currently managed in the Drupal Association's banking institution will be moved to this DNYC account. It will naturally be crucial for DNYC to have a trustworthy treasurer and top notch accounting controls in place to eliminate the

possibility of malfeasance. Checks and balances will be implemented to ensure this comes to pass.

Membership

In order to adhere to requirements inherent in establishing a 501(c)3, DNYC will require membership. Only members of DNYC will be allowed to vote for officials or be allowed to run for an office. A fee of \$20/year will be required. Members may attend the annual DrupalCampNYC event at no additional cost.. In essence, the member prepays for camp and also becomes entitled to run for office or vote for officers, as well as participate in DNYC organizational meetings.

Process

Incorporation

Effected by: Drafting group

A Certificate of Incorporation is prepared and filed with the state. This document creates the nonprofit and establishes its purpose. Three initial board members are named in the filing. The fee is \$75 + \$25 per filing for 24 hour review. If there are errors or corrections are requested the \$25 fee applies again. The response is normally sent by 1st class mail. An overnight self-sent/self-addressed return envelope may be included. A guide to incorporation is available from Lawyers Alliance for \$100 for a single copy or \$250 for an organizational license.

Bylaws

Effected by: Drafting group

The Bylaws must be adopted at the Organizational Meeting, so they must be prepared in advance. A guide to bylaws is available from Lawyers Alliance for \$50 for a single copy or \$100 for an organizational license. Some of the topics that need to be addressed based on our experience and subject to revision are:

- Organization
 - Officers: composition and terms of office.
 - Directors: number and terms of office.

- Membership
 - Founding members
 - Ongoing members
- Operations
 - Conflicts of Interest
 - Member conduct
 - Resolving conflict
 - Program committees
 - Business practices

Organizational Meeting

Effected by: Founding members

A meeting to adopt bylaws, elect any additional directors to the board, elect officers, authorize the opening of a bank account, authorize filing for tax exemption and any other initial business.

Federal EIN

Effected by: Directors

An Employer Identification Number can now be obtained from the IRS. This may be done online by an officer or director. The number is issued immediately online.

The EIN and a copy of the authorizing resolution may be taken to a bank to open an account in the name of the nonprofit.

Federal Tax Exemption [501(c)3]

Effected by: Directors

Corporations expecting less than \$50,000 annual revenue and holding less than \$250,000 can apply using 1023-EZ, which is online. The fee is also paid online. A determination is issued within 90 days and often in as little as 14 days. Once issued it will be retroactive to incorporation.

State Additional Filings

Effected by: Directors

Register to Solicit Contributions

We would file for exemption since our expected income will be below \$25,000 and no professional fundraisers will be hired. If we choose to register anyway, cost is \$25.

Excise Tax Exemption

A standard corporate tax - need to file for exemption after federal status granted.

Sales & Use Tax Exemption

Any purchase for the corporation will be exempt. File for this after federal status granted.

Drafting Group

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Resources

<http://www.nylpi.org/wp-content/uploads/2014/12/So-youre-thinking-of-forming-a-nonprofit-2014.pdf>

<http://www.nylpi.org/wp-content/uploads/2014/12/So-youre-considering-fiscal-sponsorship-2014.pdf>

<http://www.nylpi.org/wp-content/uploads/2016/02/NYLPI-Intake-Application2-1-16a.pdf>

<http://www.lany.org/nonprofits.php>

<http://www.lany.org/publications.php>

DrupalNYC - Nonprofit



<http://www.nycon.org/who-we-help/nonprofits/starting-nonprofit/>

<http://www1.nyc.gov/site/nonprofits/resources/starting-nonprofit.page>