

How To Sign up a Tax Exempt (501)(c)(3) Organization

Monday, June 19, 2006

Incentive Summer 2006: Get to work now!
(see attachment to this outline)

1. Why not just Sponsor the Organization Directly as an Associate?
Non-qualified Income: tax exempts doing for profit activities can run against tax exempt status
2. Approach:
 - a. Discuss why networking
Review traditional fundraising
The reasons networking is so much better!
 - b. Qualification
Find out if want a better approach
 - c. Send a package out with materials introducing Mannatech
 - d. Follow up meeting
Discuss vision, altruism
Brief description of methodology
Enterprise partners: need minimum of 3, 6-9 is better
 - e. Enterprise Partner Meeting
Send out package in advance of meeting
what to include
Similar to opportunity meeting
Sign up enterprise partners (All Stars)
3. Establish the Partnership Vehicle (All Star)
 - a. Obtain DBA
 - b. Obtain Tax ID
 - c. Sign Partnership Agreement
 - d. Draft a Business Plan
Keep it simple
Use a standard Mtech one
Income projections by month/year
Office needs/staffing
Expense Projections (materials, etc)

4. Training and Implementation of Plan
 - a. Training (like standard associate training: sharing, sign ups)
 - b. Issues of Particular Importance to non-profits
5. Your Job Function as the Facilitator
6. Alternative structures
 - a. Sign up the Pastor (in Church) and allow income through him/her
 - b. Sign up the tax exempt itself
7. Helpful References:
 - healthwealth4u@erols.com
 - Four Star Productions has tapes: 'Living Your Vision and Funding Your Dream' (360) 332-6277

PARTNERSHIP AGREEMENT

_____ (the Partners) Agree to be equal partners in a for profit partnership called _____

The purpose of the partnership is to financially support _____, a non-profit corporation by contributing the net income of our partnership, which is generated through selling Mannatech, Inc. products through multi-level marketing. It is also our purpose to educate our world community about these products, to provide everyone with an opportunity to purchase Mannatech products from (name of Partnership) _____ and from others in our downline, to provide business opportunities for everyone to distribute Mannatech products by enrolling as independent distributors in our down line, and to train and support them in their businesses.

When compensation checks are received from Mannatech, all expenses in the partnership will be paid by the partnership before net income is contributed to _____, our non-profit recipient. We agree that each of us will be equally responsible for the liabilities and ownership of (Name of partnership)

_____.

One of the Partners will be named as General Partner: It will be the responsibility of the general partner to make sure that the Partnership obtains a Federal Identification Number and registers the Partnership with the county and state and complies with all City, State and Federal regulations pertaining to the Partnership, including filing of tax forms to the IRS and the State.

Products purchased through the partnership will be paid for through the partnership bank account or through one of the partners credit cards and then paid back as soon as money is received from product sale or commissions from Mannatech.

Partners may purchase products from inventory at the distributor wholesale price, plus tax and shipping.

Products will not be given away free without the agreement of all partners.

If the event of a partners death, his or her share of the partnership will go back to the partnership. Any deceased partner who is sponsored under the partnership, will be able to will his/her position to whom ever he/ she designates.

Any part of this agreement can be changed or modified by the Partnership if all agree.

Partnership: _____ (Partner) _____ (Partner) _____ Date
_____ (Partner) _____ (Partner)

INITIAL CONTACT BY LETTER:

Dear Not-For-Profit Members,

We are actively looking to partner with non-profit groups and support you in developing on-going long term funding. This will be done without disturbing your present funding base or distracting contributors from their present funding pattern.

We realize that raising funds for Not for Profit groups in traditional ways is becoming more difficult when considering that there are already 75,000 registered organizations in Canada and more on the way. This kind of pressure on the funding sources means many organizations have to do things differently and find more effective ways to reach their goals.

What we are offering is designed to allow the Not-For-Profit groups to partner with us through a unique opportunity made available by Mannatech, Inc. And to take direct control of an additional funding source which:

- Ensures that 100% of the profits are kept by you
- Provides opportunity for community to get involved and profit
- Provides consultants at no cost to help raise money
- Provides repeat Income that can grow larger every year
- Provides a way of helping other Not-for-Profits, while helping yourself
- Provides more time for Program staff to help people directly, rather than raise money or administer the program

We know you will find this informative and interesting enough to learn more about what we have to offer. In an effort to understand your needs better we have attached a questionnaire. This will help us know which areas are of most importance to you.

Please take a moment to phone or fax a confirmation within 48 hours of receiving this letter to let us know that your group is interested in filling out the questionnaire. Provide details when we can expect the completed questionnaire returned to our office. Our phone # is _____ Our fax # is _____

Thank-you for your consideration in this matter.

Sincerely,

Fax to: _____

1. Could an additional source of income that does not affect your present funding sources be of benefit to you in reaching your goals?
2. Have you ever lost or downsized programs due to insufficient funding?
3. What are your traditional sources of funding and have you ever used professional fund-raisers, and if so at what cost?
4. Could you use Professional Funding Consultants at no extra cost to help raise money for your organization?
5. Would it interest you if we could involve the community and have them profit also, which in turn would increase your funding?
6. Is helping other non-profit groups while helping yourself consistent with your group's philosophy of providing a win/win for those who provide help and those who need the help?
7. Can a repeat income that grows larger and larger every year fit in with your existing programs?
8. If we could show you how this will allow more time for the staff to help people directly or work on other programs would this be of benefit to you?

Thanks again for taking the time to review this questionnaire. When we sit down together we will show some working models and how this could benefit your organization well into the future.

Sincerely,

THE INITIAL CONTACT

Initial contact will vary, depending on if you know people in NP's or if you are making a cold call. The basic message you are sharing is:

" This is _____ . I'm an Independent Associate with Mannatech International. Our team specializes in helping non-profit organizations like yours increase their income through Enterprise Development. We do this without interfering with your present sources of income and without burdening you or your staff with more work. If this sounds interesting to you, we would like to meet with you for 20 minutes to see if our program may be of benefit to you. Would you be willing to meet with us to explore this further?"

- **NPO's will probably ask questions to learn more about what you are offering. Your job is to make the appointment, not "do" the appointment over the phone.**
- **Answer any questions with:** *"That's an important question and we would be glad to explore that with you when we meet. What I can tell you is that 100's of NPO's in north America have benefited from this program during the last three years. We would be glad to tell you about their success when we meet. Would you like to make an appointment with us?"*
- **When you meet with the non-profit , you only have a few minutes, so make them count:**
"Our organization's goal is to improve the health of people worldwide and to put more income into the hands of those who need it most. We do this through a unique "Enterprise Development" program that financially benefits NPO's."
"Before we explain how this works, we need to know more about your organization and your needs and vision so we can decide with you if our partnering program would be of significant benefit to you and to us."
- **This is where you get curious, ask questions, "keep the ball in their court," find out what their needs are and determine if you can help them.**
- **At this point, 20 minutes is up. If they are interested in exploring this partnering opportunity further, see if they want to spend more time now or if they would like to schedule a meeting later on.**

Residual Income for a Tax-Exempt

Build residual income in a separate partnership entity to support your tax-exempt organization.
Just get two who get two and duplicate.

Each associate Orders \$100/month	Goal Accomplished!	Estimated Residual Income/Period	# of Months	# of Months	# of Months	# of Months	# of Months
2 Associates	Great Start	---	1	1	1	1	1
6 Associates	Receive guaranteed \$100 each month	\$100	2	2-3	2-3	2-3	2-4
14 Associates	Regional Director	\$150	3	4-6	4-6	4-6	5-8
30 Associates	-----	\$300	4	6-7	7-10	7-12	9-12
64 Associates	National Directors Start a new leg	\$650	5	8-9	11-14	13-18	13-20
132 Associates	-----	\$1,350	6	10-11	15-18	19-24	21-27
268 Associates	Executive Director	\$2,380	7	12-13	19-22	24-28	28-34
540 Associates	-----	\$5,400	8	14-15	22-25	29-33	35-47
1076 Associates	Presidential Director	\$10,760	9	16-17	26-30	34-40	48-60

TIME TO ACHEIVE \$139,000/YEAR:

9 Mos 1.5 yrs 2.5 yrs 3 yrs 5 yrs

Conventional Fundraising:

In order to earn an income of \$139,000 a year,
Your organization must have raised \$4.6 MILLION at current interest rates.

To Earn this in:	9 Months	1.5 Years	2.5 Years	3 Years	5 Years
YOU MUST RAISE:	\$518,000	\$259,000	\$153,000	\$128,000	\$77,000
PER MONTH	Per Month	Per Month	Per Month	Per Month	Per Month

Business Plan

My Vision: _____

A. My Commitment for Minimum daily/weekly activity (fill in numbers) for Prospecting: (70% of your time)

1. Number of hours doing Mannatech: _____/day
2. Add new names to my warm list: _____/wk
3. Calls to prospects: _____/day
4. One on One interviews: _____/wk
5. Three way calls: _____/wk
6. Attend Opportunity Meetings: _____/wk
7. Number of enrollments: _____/wk

B. My commitment to my existing/future downline:

8. Calls to help with Business: _____/day
9. Contacts regarding use of product: _____/day
10. Contacts to get out to meetings: _____/wk
11. Schedule meetings/3 ways with: _____/wk

C. My commitment to Education:

12. Minutes listening to tapes: _____/day
13. Minutes reading books: _____/wk
14. Minutes reading Mtech materials: _____/wk

Partnership Business Plan

Partnership Vision: _____

A. Budget:

1. Start up costs:

All Star Pack (add tax and shpg)	\$ 1095.00
Auto Order (same)	\$ 100.00
Marketing Materials	\$ 200.00
Cards, Stationary	\$ 80.00
Miscellaneous:	

Total:

2. Monthly costs:

Auto Order (add tax and shpg)	\$ 100.00
Materials	\$ 35.00
Admin.	\$ 100.00
Other	

Total:

B. Income Projections:

Enterprise partners as All Stars:	\$ 800.00
Monthly Team Bonus:	\$ 100.00
After 4th month, residual income projected to increase by \$100 each month	\$

C. Time Schedule to meet Leadership levels:

Regional Director (\$1500 GPV)	3 months
National Director (\$6000 GPV)	6 months
Executive Director (\$20,000 GPV)	12 months
Presidential Director (\$60,000 GPV)	24 months

NOTE: Residual Income at each level runs about 8% of the GPV per month.

D. Enterprise Partners commitment to this project

**Each Partner to fill out their individual Business Plan
Make commitment to reach levels as outlined above
within 3 additional months of the Partnership i.e.**

Regional	6 months
National	12 months
Executive	18 months
Presidential	30 months

E. Training and Development

Facilitator to provide a schedule of all activities for business training and all scheduled meetings, teleconference calls, etc. to support the growth of enterprise partners.