

LegalXML

Organization Options

March 31, 2000

Organization Steps

- Create a Not-For-Profit Entity
 - Select a State (low cost to create & maintain)
 - Example: Utah - \$25 to create and \$20 annual fee
 - Select and Reserve a Name:
 - LegalXML Foundation
 - Legal XML Standards Corporation
 - Create Articles of Incorporation and Bylaws:
 - Select a Board of Trustees (at least 3 – 5 depending on the law of the State where you file)
 - File Articles of Incorporation

Organization Steps

- Apply for Tax-Exempt Status With IRS
 - Best Options:
 - 501c4 (Social Improvement Organizations)
 - 501c6 (Trade Associations/Chambers of Commerce)
 - Can Charge Membership Fees:
 - Deductible as “Ordinary and Necessary Business Expenses” (not as charitable contributions)
 - Can Receive Contributions:
 - From Government Entities

Organization Steps

- Organize LegalXML according to Bylaws:
 - Establish an Executive Committee:
 - Handle Management, Meetings and Money
 - Between 5 and 9 People/Meet Monthly
 - Establish a Steering Committee:
 - Make Policy Decisions and Oversee Direction
 - Between 20 and 50 People/Meet Quarterly
 - Establish Working Groups:
 - Work on Creation of Standards/Meet as Required

Organization Steps

- Decide How To Fund Organization
 - Develop an Annual Operating Budget
 - Between \$150,000 and \$250,000
 - Suggested Membership Fees:
 - Gold Level: \$10,000 Annual Contributions
 - Silver Level: \$5,000 Annual Contribution
 - Bronze Level: \$1,000 Annual Contribution
 - Membership: \$100 Annual Fee
 - Policy Decision:
 - Have everyone contribute at some level and don't let any one group contribute more than \$10,000 annually

Organization Steps

- Decide Whether To Hire Staff:
 - Executive Director:
 - Annual Salary
 - Responsible for Operations
 - Responsible for Web Presence
 - Responsible for Meetings
 - Responsible for Membership
 - Responsible for Other Staff Members
 - Facilities:
 - Best Option – Get someone to donate facilities

Organization Steps

- Set Goals and Objectives for LegalXML
 - Establish basic Policy Statements
 - Establish Goals for the Organization
 - Establish Objectives for the Organization:
 - Objectives for Executive Committee
 - Objectives for Executive Director and Staff
 - Objectives for Steering Committee
 - Objectives for Various Work Groups

Organization Steps