

Sept./Oct. 2010  
Newsletter  
Issue #1



Free Legal Help for Climate Change Innovators

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#### Green Fact of the Month

Growing a pound of animal protein requires 11 times the energy needed to grow a pound of grain protein. Want to reduce your oil dependence? Go veg tonight!

## Founders' Note

Welcome to the first issue of the Green Pro Bono Newsletter!

When we founded Green Pro Bono just eight months ago, I could not have imagined how much we would accomplish in such a short period of time. So far, we've matched more than a dozen climate change initiatives with exceptional legal help from top law firms, recruited many wonderful volunteers to our organization, and begun carving out a respected place for Green Pro Bono in the environmental and legal communities. It has been an exciting time, and I can't wait to see how much more we can accomplish in the months and years ahead.

It is my hope that this newsletter will help further our mission by providing a place to share information about our work, stories of our successes, and a wide range of valuable resources for the green innovator. If you have a resource or success story you'd like to see featured in these pages or simply have comments about something you read here, please let us know. This is a place for the Green Pro Bono community to come together, and your voice is a critical part of it.

Best wishes for a wonderful autumn,

**Nancy Reiner**

*Co-Founder  
Green Pro Bono*

## Feature Story

### **For-Profit or Not-for-Profit? Choosing the right form for your startup**

One of the first decisions a startup has to make is whether to organize as a for-profit or non-profit entity. The choice sounds simple enough: we tend to think of for-profit companies as offering commercially viable products and services while non-profit status is for socially-minded endeavors. But for the new breed of social entrepreneur, who likely has both things in mind, the choice isn't always clear.

Of course, the best-known advantage of being a non-profit is privileged tax status: non-profit organizations are tax exempt, so long as they are organized for a qualifying charitable purpose. Non-profits might also find it easier to attract donations, grants, volunteers, and other forms of public support from those drawn to its charitable mission. Plus, donations to non-profits are tax deductible for the donor—a fact that can be a powerful fundraising tool. Being tax exempt and attracting funding and volunteers can be an excellent advantage and can mean more resources to pursue the organization's goals.

*(article continues on page 2)*

## For-Profit?

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For-profits have their own advantages, however, which must be carefully considered. Because non-profits have no owners, they cannot take on investors or offer stock options to employees. For-profits can do both of these things, which can be critical to raising money and attracting talent, especially in the early stages.

Non-profit founders may also find their earning potential is ultimately limited. Salaries of non-profit employees and consultants are limited to levels the IRS considers “reasonable.” While successful non-profit executives can still earn high salaries, they may earn far less than their colleagues in similarly successful for-profit businesses. Non-profits are also barred from distributing profits as bonuses, as all profits must be reinvested in the organization or spent on the organization’s specified charitable purpose. Similarly, if the entrepreneur’s goal is to eventually sell the business for a profit, it will need to be organized as a for-profit because non-profits cannot be sold.

A social entrepreneur will also want to consider organizing as a for-profit if direct control over the organization is important to her. A non-profit is not run by an owner or owners, but by its membership or board. As a result, the president will have to win the agreement of others before making many key decisions.

These considerations are only the tip of the iceberg, and any entrepreneur’s best course of action is to consult a qualified attorney to help make this decision. In fact, choosing an organizational form is an excellent opportunity to initiate a relationship with a lawyer early in an endeavor, which can help to avoid costly mistakes. If you’re interested in working with a lawyer to discuss choosing your organizational form or for other advice relating to your green initiative, be in touch with Green Pro Bono today. We’d love to hear from you!

## Green Pro Bono in the Community

August 19-21, Green Pro Bono participated in the 2<sup>nd</sup> Annual [Boston Greenfest](#) at City Hall Plaza. Organized by the [Foundation for a Green Future](#), Greenfest is the region’s largest multi-cultural environmental festival and is dedicated to “celebrat[ing] the many ways we can create a better world by greening our lives and our communities.”

The three-day event featured more than 75 live artistic performances, a gubernatorial candidate debate, and a green jobs forum. Green Pro Bono was among more than 200 exhibitors at the festival and our volunteers had a great time introducing Green Pro Bono to dozens of green entrepreneurs and other like-minded organizations. We are very much looking forward to working with the new contacts we made at Greenfest and hope to see you at the festival next year!

## News You Can Use

The Licensing Law Blog provides tips on basic IP protections that all startups should take to protect their proprietary information. Click [here](#) to read the article.

A report on the first renewable energy storage law recently passed by the California legislature from Lane Powell’s Sustainability and Climate Change Reporter is available [here](#).

The *New York Times* reports on the Advanced Research Projects Agency-Energy, a government initiative making funds available for research leading to more efficient automobiles, [here](#).

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