

Non-Profit/For Profit Comparison Chart

	For-Profit Business	Nonprofit
Can it make money and generate a profit?	Yes	Yes
How can profits be spent?	Profits belong to the business owner(s).	Profits must not benefit private individuals and must be put back into the organization to help fulfill its mission.
Does it pay taxes?	Yes, although the types of tax vary by the business's legal structure.	No, for the most part. Nonprofits only pay payroll taxes and are typically exempt from the rest.
Can it raise money/capital?	Yes	Yes
From whom does it raise money?	Money can be raised from investors in exchange for part ownership in the business.	Money can be raised from donors (individuals, businesses, churches, government, and private foundations) who may receive a tax deduction in exchange. Donors cannot be given ownership of the organization.
Who owns the organization's property or assets?	The business owner(s) (shareholders)	The nonprofit organization. If it ceases to exist, its assets must be given to a charitable endeavor.
Who is in charge?	The business owner(s)	The board of directors