

LESSON 1: PRE-QUALIFICATIONS

For the right person, the following may be exactly what you need for the freedom of a self-actualized life.

It was NOT my dream to open my own business at age 29, just over a year after I completed my Family Medicine residency in Tacoma. Quite the opposite: I wanted to work at a public health clinic, (maybe even for the government or military). I wanted the safety of employment while being able to serve my community, without having to “worry about the money and business side of things.” I wanted to take care of everyone, and have the resources to do so. This was the dream that brought me into medicine.

As a bright-eyed idealist in love with health, truth, and humanity, it was difficult to face incongruencies between what science proved was health-promoting, and the environment within I was expected to practice. I had little control over my practice, while turning over a huge percentage of my earnings for someone to take this privilege from me.

The result was having to “do more” in order to “make more,” with a dangerous and insidious assumption of exponential “improvement,” which ultimately came from my sweat and patients’ pockets.

It was not sustainable.

I did not give up on my dream, the one that drove me to pursue medicine in the first place. To succeed in this model, its vital to identify and remember that dream.

Before I started my clinic, I went through a visioning process. I thought about who I most loved to serve, what kind of environment I liked spending time in, what I wanted the structure of my day to look like. I wanted to do healing in the way I could most effectively deliver it.

I didn’t let ANYTHING narrow my vision: it’s important you do the same.

If you get hung up on the “how,” it may destroy your ability to live in your dream. Focusing on obstacles comes with the same risk. Set that aside for now. Do not overthink it.

You absolutely can do this. You already have everything you need. It will not always be easy, but it will be worth it.

By releasing the “how” that may be deeply imprinted in your mind (by yourself, society, and/or common practice), you allow your dream to manifest in its truest form. In this case, releasing the “how” is a way to bring your gift to the world, while living a fulfilling life that you love, and earning the living wage you desire and deserve.

Remember, you are operating in a broken system. When you look around, not many ‘healthy’ medical practice models will exist; and current “experts” in law, finance, business, and medicine will have a hard time helping you because they are so used to operating in the current structure. Their inability to expand their minds to think outside the status quo is exactly why we are stuck in this current predicament.

If this manuscript is resonating with you, then you are likely a leader in this field. Like me, you are actively paving the way and rewriting the business of healing.

The good news is: this is not a lonely road. By choosing to be an independent healer serving those around you in consistency with your values, support will arise from the woodwork, even as those people who you **thought** would support you the most are questioning your every idea.

Stay true to yourself, and become aware of your “tribe” -the people who think similarly and are there to support you.

Homework:

-Visualize your ideal practice and your ideal, whole life. What does it look like? Sound like? Feel like? What is a typical day like? What are the patients like? Imagine true fulfillment and wholeness in your life. What does it feel like?

-Create a paper representation of your vision that you update every 6 to 12 months. Put it in a place you see regularly. This can be a vision board, a special journal, or any other creative way you choose to display your vision.

-Journal about WHY you went to medical school. What did you dream about doing when you were young(er)? What do you MOST like doing now?

-What are your strengths? Find tokens that remind you of your superpowers, and put them where you see them regularly.

-If you already have a practice or patients, start asking them how their DREAM HEALING PRACTICE would be. Encourage them to dream big! Go to your "ideal patients" and ask these questions of them as well. Consider holding a community visioning circle where you bring together people from the community and have a discussion of ideas/meeting of the minds.

-Most of us have deep interests outside of "medicine" that we also desire to interweave. What might these be for you?

-Purchase textbooks:

[NOLO How to Form a Nonprofit Corporation: A Step-by-Step Guide to Forming a 501\(c\)\(3\) Nonprofit in Any State](#) by Anthony Mancuso, May 2019 Edition

[Your Money or Your Life](#) by Vicki Robin, 2018 Edition

LESSON TWO: Initial steps to form a nonprofit healing corporation- Clarifying the purpose and organizing the information needed for official documentation.

The key to the next portion is to stay **clear** and **simple**. Please place all your preconceived notions, especially the fears, aside. This process is not much different than applying for a driver's license. It is WAY simpler than getting accepted to and completing medical school.

Remember, almost everyone that produces a product or service works in some sort of business structure to interface with end users, each other, and the government. It is a commonality we need to function, not something you have to go to special school to understand. Resist the urge to overthink it!

There is a steep learning curve at the beginning, similar to when you first drive on your own, learn the laws, and pass the driver's test for the first time. What you initially learned was not completely foreign though, because you had been riding in cars for a long time, and you likely had a general idea of what the road signs meant from watching others follow suit.

Likewise, when you file the paperwork for your first business, many pieces will be familiar because ALL of society uses this system to operate. You are around it every day. However, until you are actively filling out the application, there may be details that you have not fully learned, or procedures you do not quite understand. So it may seem confusing or even scary at the beginning.

Just like you have become an expert at operating your car and have driven it for YEARS while RARELY thinking about the paperwork you filled out at the beginning, your business will be the SAME way. At the beginning you had to figure out the basic premises, including what type of driver's license you wanted (motorcycle, regular vehicle, commercial), but that became water under the bridge pretty quickly once you were cruising.

To keep this manual simple, I am going to focus specifically on forming a **nonprofit healing corporation** and some of the most frequently asked questions that I have received about this topic.

FAQs

Who is qualified to do this?

Anyone with a valid certificate to practice medicine or a healing art is qualified to start a nonprofit healing corporation. Every healer deserves to practice in alignment with their values.

By definition, the purpose of your service is to bring health to those around you. It is not to generate a profit that pays out dividends to shareholders. Therefore, your services and medical practice qualify as not-for-profit.

Our federal government recognizes "health and social service" as a reason to be classified as a "nonprofit" and provides you the additional resource of being "tax-exempt." This means your business will not pay federal taxes on the revenue it generates from providing healthcare. Once you obtain this federal tax status (simply by stating the purpose of your organization in the proper paperwork), the state(s) you operate in will also recognize this status.

If other individuals or businesses want to donate some of their money to your organization for you to carry out your purpose, the donors will be given the additional benefit of not having to pay tax on that "profitable income" because they are giving it to serve the greater good of the community. It is beneficial to all.

Does being a nonprofit limit the amount of money our business can make?

No. Most hospitals are nonprofits. Healthcare generates huge revenue. The NFL is actually a nonprofit entity that generates billions of dollars each year. There is NO LAW limiting the income of a nonprofit.

Does being a nonprofit limit the amount of money I can earn as a doctor or healer working in my company?

No. You can earn the living wage that you deserve while working for your nonprofit company.

Now that you **know** you are qualified to start a healing nonprofit, and that there is **no limit** to the revenue that can be generated or to the salary you are paying the involved healers, you are now ready for the next step: incorporation.

Incorporation is similar to forming a human. (In-corp-oration means to "embody".) The incorporation paperwork is like the application for the birth certificate. Just like a person is born because other people joined together, your corporation will need some "parents" or incorporators. It will also need a name, and a basic mission.

When you can answer the following 4 questions, you are ready to file for 'incorporation' in your state.

1. Who are the incorporators?

This will be yourself and at least 3 other people who identify with and support your mission. These should be people you trust. They can stay on as your original "board members," or they can just put their names in support of your organization being formed.

2. How do I choose a name?

You will go down in history as the founder of this nonprofit healing corporation, so choose something you really like! Perhaps emphasize what sets you apart, or even your special talents outside of healing. If you already have a healing practice, you can ask your patients or clients for input.

Your name must end with a corporate designator, such as "Corporation," "Incorporated," "Limited," or an abbreviation of one of these words (Corp., Inc., or Ltd.). The only other caveat is that it cannot already be in use in your state.

3. What is the mission statement?

Keep it as simple and concise as possible.

4. Do you want ongoing members as a way to provide support for your organization?

This question makes you think a little bit more about your actual financial business structure, which we will talk about in the next chapter. This question is just a small box that you check off on your incorporation application, similar to the box you check about whether or not you want to be an organ donor for your driver's license.

Even if you decide to be an organization with members, you do not have to establish the membership guidelines right away. You are simply keeping the option open.

Up until this point I have not shared any of my personal answers to any of these questions, because it is so important for you to tap into your individuality and truest personal answers. I will say this though: the membership model always resonated with me, and even when I first opened my practice as a taxed LLC, I had a membership business model with the tagline "a community healing collective." When I attended a college level nonprofit management course, we learned that the most successful structure for ANY business is the recurrent user, customer or donor. Organized membership is one way to capture that recurrent business.

This will probably come down to your comfort level and personality type. I like the users of my healing practice to have an active voice in their care. With the membership option it is more official. What this exactly entails is ultimately up to you, and again can be decided later as you are creating your bylaws.

The benefit to having a recognized membership is that your members (patients, clients or perhaps just supporters of your mission) have more legal protections, and you may be eligible for more sources of outside funding.

Remember my original advice for this chapter. Keep it simple: go with your intuition or whatever feels most comfortable. This decision will ultimately hardly be limiting either way.

LESSON 3: Choosing a business structure.

Now that you have decided to form a business organization, have named it, and determined that the purpose qualifies for tax exemption, you can move on to deciding how your business will basically operate.

First determine from whom or from where the organization will get its revenue.

There are 4 options:

- 1) Direct, internal source: charging end users for care provided
- 2) Indirect, internal source: charging insurance or the government for care provided
- 3) External source: applying for grants, requesting donations, gifts
- 4) Combination

Just because you are a “nonprofit” organization does NOT mean you should undercharge or undervalue what you are worth. Everyone needs to know their worth. You lead by example here.

Check the Healthcare Bluebook (www.healthcarebluebook.com) to determine prices for your area.

DETERMINE THE TRUE COST / VALUE OF YOUR SERVICES. Then you can set up a pricing/ scale/ tier/ triage system that will work for all involved.

By starting with revenue option #1 as listed above, you can open your healing nonprofit, serve your community, and generate revenue to feed yourself within 2 weeks. You can ALWAYS build into the other 3 categories later.

LESSON 4: Organizing your paperwork.

Once your form the nonprofit (produce the child and get the birth certificate), you apply for the EIN (similar to getting the social security number). Getting your business license allows your nonprofit to start doing business in your state. Finally, filing your 1023 or 1023 EZ with the IRS will be the official step you need to receive your 501(c)3 tax exempt status. This will be recognized federally as well as by your state.

After have answered questions 1-4 above, you are ready to apply with your secretary of state to form your nonprofit corporation. "Incorporating" and "forming your nonprofit" are the same thing.

First, you will need to write the Articles of Incorporation for your nonprofit corporation. The Articles of Incorporation are the basic 'birth certificate' of your organization that is viewable by the public so they know what your organization is about. You can search the public listing for any company under the Secretary of State. It also removes personal liability from everyone listed. This can be a single page. Use your NOLO textbook as a basic guide of how to do this. If you file online, there is a fill-in template to follow. Use your answers from Lesson 2 as a guide.

For an example, you can search the public listing for any company under the Secretary of State. Remember to keep it simple.

- 1) File with your state to form your corporation.
* physician office NAICS code: 621111
- 2) Apply for an Employer Identification Number online (irs.gov)
- 3) Apply for a state business license.
- 4) Apply for your tax-exempt status using the 1023 EZ or 1023.

Eventually you will need to establish the bylaws of the nonprofit. Your “Bylaws” are your guide for how your company is actually run. You have up to a year to officially adopt these bylaws. They will come naturally as you begin to run your business. Your NOLO textbook also has a guide, and you can update them as needed and as your company grows. Place one copy in your binder, and make sure each of your board members has a copy.

Your board of directors must meet annually. Keep a document of what you talked about at the meeting in your official binder.

Keep a copy of your financial books there as well. (Money in, and money out.) Update annually.

Use whatever financial recording system makes sense to you. You can upgrade as you grow. I currently use an excel spreadsheet. Some use other systems such as QuickBooks. Until you bring in over \$50,000 annually, you simply file a 990n postcard with the federal government. This is a very easy process. Your annual filing with the state is simple as well.

Once you receive your federal tax-exempt status, the only tax your corporation will pay is the quarterly tax on the salary for your W-2 employees. Any accountant or payroll company can help you with this.

Once your corporation makes more than \$50,000 you will file a slightly more detailed report to the IRS. Any accountant can help you with this (or you can do yourself).

That’s it! Keep it simple. Keep on keeping on.