



Non Profit

VS



Not for Profit

#1. Definition

Non Profit



These are the organizations that work to promote any charitable purpose.

Not for Profit



Not-for-profit organizations do not distribute their profit to the owners but exist to fulfill their organizational objectives.

#2. Scope

Non Profit



The scope for these types of organizations is wide.

Not for Profit



The scope for these types of organizations is comparatively less.

#3. Legal Entity

Non Profit



They can have a separate legal entity.

Not for Profit



Not-for-profit cannot have the status of a separate legal entity.

#4. Type of Organizations

Non Profit



These organizations are involved in art, science, charity, religion, educational or research purposes.

Not for Profit



These organizations include a women's club, sports club, or an association formed by people.

#5. Scale

Non Profit



These organizations are larger than not-for-profit organizations.

Not for Profit



Usually, these organizations are smaller than non-profit organizations.

#6. Tax-exempt status

Non Profit



Non-profit organizations fall under tax-exempt status in the U.S. These organizations run like businesses and aim to earn profits. These profits help in both keeping their mission and running the operations. They do not support any members.

Not for Profit



Not-for-profit organizations do not qualify under the tax-exempt status in the U.S. As defined by the authorities, small groups focusing on sports or any special interests do not qualify as any business entity and hence cannot be qualified under tax-exempt status.

#7. Employee Payment

Non Profit



These organizations do not have full-time employees but have volunteers.

Not for Profit



These organizations have full-time employees whose salaries are first paid, and the remaining revenues are put back in the business.

#8. Charter

Non Profit



It receives charters at the state level.

Not for Profit



It is not chartered either at the state or national level.

#9. Accounting Standards

Non Profit



Standards are stringent as they have to show how they have spent the funding.

Not for Profit



Accounting policies are less rigorous as they do not have to report revenues compulsorily.

#10. Sources of Revenue

Non Profit



Donations, fundraising, membership dues, and funds are the sources of raising money.

Not for Profit



Gains, profits, sales add to the money and are not necessarily donations.