

Non Profit vs Not for Profit



#1. Definition

Non Profit



Non Profit organizations are the ones which work for promoting any charitable purpose.

Not for Profit



Not for Profit organizations do not distribute its profit to the owners but are in existence to fulfil its organizational objectives.

#2. Scope

Non Profit



Scope for these type of organizations is wide.

Not for Profit



Scope for these type of organizations is comparatively less.

#3. Legal Entity

Non Profit



Non-profit 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 women's club, sports club or an association formed by a group for people

#5. Scale

Non Profit



Non-profit 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 US. These organizations run like a business and aim to earn profits. These profits help in both keeping their mission and running the operations. They do not support any member

Not for Profit



Not for profit organizations do not qualify under the tax-exempt status in the US. 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



Non-profit organizations do not have full-time employees but have volunteers.

Not for Profit



Not for profit 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 for Non-profits are stringent as it has to show how they have spent the funding.

Not for Profit



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

#10. Sources of Revenue

Non Profit



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

Not for Profit



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