

Organizational Structures Comparison

Category	501(c)(6) Association	Public Benefit Nonprofit 501(c)(3)	Cooperative	LLC	S-Corporation
Purpose	Promote common business interests; industry-wide benefit	Provide charitable/educational public services	Meet member needs & earn return on use	Earn return for members; provide employment	Earn return on owners' investment
Owners	Member businesses/professionals	No owners; public is beneficiary	Members (patrons)	LLC members	Shareholders
Governance	Board elected by members	Board of Directors	Board elected by members	Defined by operating agreement	Board elected by shareholders
Management	Executive Director or hired mgmt	Executive Director	Member or non-member CEO/manager	Members or hired management	CEO
Liability	Limited liability for members	Organization only	Members' investment	Members' investment	Shareholder investment
Financing	Membership dues, sponsorships, events	Grants, donations, fees, loans	Member shares, loans, retained profits	Member investment, loans, retained profits	Shares, loans, retained profits
Profit Distribution	No profit distribution	N/A	Based on patronage	Based on agreement	Based on investment
Taxes	Tax-exempt (must support common business interests)	Tax-exempt	Members taxed on patronage	Pass-through or corporate tax	Corp taxed + dividends taxed
Ownership Transfer	Membership changes only	To another public benefit organization	To members/co-op	By agreement	Shares public/private