



Starting a Nonprofit Program



EAGLE RANCH



Welcome

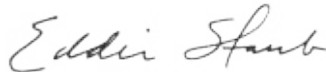
Thank you for your interest in the Eagle Ranch Wings Consulting program. This initiative was launched in 1996 in response to the numerous inquiries we received about how to start or retool a children's program or nonprofit organization. We began by hosting biannual seminars to help others learn strategies for successfully establishing a program based on the Eagle Ranch model.

Why our model? We believe others have sought our assistance because Eagle Ranch operates as a strategic, debt-free organization. The Ranch has successfully helped over 2,000 children over the past almost 40 years and continues to remain relevant to changing industry trends.

Our experience has shown that the most successful participants in the Wings Consulting program are those who have completed the foundational steps of their business planning. This booklet gives basic information that will provide the steps and guidance needed for those who are beginning this process. We invite and encourage your feedback, as we will continue to add to these materials.

If you have completed a business plan that includes the core components described in this booklet and believe you are far enough along in your work to receive one-on-one guidance, please contact us. Call 770-967-7170 for assistance between the hours of 9:00 a.m. and 5:00 p.m. (Eastern) Monday through Friday to discuss further training and mentoring options that are available through Wings Consulting.

God's Blessings in Your Endeavors,



Eddie Staub
Eagle Ranch Founder

10 Critical Steps to Successfully Start a Nonprofit Program

1. RESEARCH AND DOCUMENT THE NEED
2. BUILD A FULL BUSINESS PLAN
3. INCORPORATE AND FILE FOR 501(c)(3) TAX-EXEMPT STATUS
4. DEVELOP AN EFFECTIVE BOARD OF DIRECTORS
5. CONDUCT A THOUGHTFUL LAND SEARCH
6. PREPARE PUBLIC RELATIONS PLAN FOR LAUNCH
7. HIRE AN EXECUTIVE ADMINISTRATIVE ASSISTANT
8. DEVELOP AND IMPLEMENT A CAPITAL CAMPAIGN PLAN
9. DEVELOP THE PROGRAM
10. OPEN THE PROGRAM

1 – Research and Document the Need

VISIT AT LEAST 3-4 SIMILAR PROGRAMS

Talk with the Executive Director and other senior staff. Potential questions to ask:

- Describe the clients you serve.
- The average age of your clients?
- Where do clients come from (i.e., principal referral sources by %)?
- Average length of service for a client in your program? What is the next step for a client after they leave you?
- Greatest challenges in working with your clients?
- Greatest staffing challenges?
- What is your overall greatest strength and greatest challenge?

Researching the need and trends in your area is critical. You must become knowledgeable about what services are currently provided and what the needs are for your clients.

VISIT WELL-RESPECTED EXPERTS IN YOUR FIELD

Potential questions to ask:

- What are the options for a client?
- What are the alternatives you would like to see in your locale?
- What features should that program have?
- How many times a month would you have an opportunity to refer someone?
- Would you provide a statement of need for the type client we will serve that are currently under your purview?
- Who are considered the best programs in the state? What makes them effective?

DETERMINE YOUR PRIMARY SERVICE AREA AND LEARN ALL ABOUT SERVICES IN THAT AREA

- Acquire a map of the counties in your state. Define your Primary Service Area—usually the county in which you will locate your children’s program and contiguous counties.
- Contact your state’s association or any advocacy group.
 - *Ask for a list of every group that is providing services for your target client in the counties that make up your defined Primary Service Area.*
 - *Visit these facilities. Develop a thorough understanding of their programs during your visit. Do not position yourself as the “panacea.” You just want to be part of the solution.*
 - *Plot all of these programs on your county map.*

2 – Build a Full Business Plan

REASONS FOR A BUSINESS PLAN

1. Researching the need in the area (counties) where you want to locate helps you understand your plans in a realistic framework.
2. It enables you to become aware of other organizations serving in the area you plan to locate. You must know each organization and what type client they serve or you will never be able to intelligently articulate how you are similar or different.
3. As you visit other programs, you become a student of your “space.” You will, in turn, be able to develop more specifics about how to structure your program, and adopting some of these best practices can greatly enrich your organization.
4. It gives you an understanding of the real cost to build and operate a program.

A nonprofit mission is not just a ministry, but is also a business. It must be founded and operated on sound principles and strategies.

BENEFITS OF A WELL-DONE BUSINESS PLAN

1. It provides key information to incorporate into brochures, keeping messaging consistent.
2. It allows you to effectively communicate detailed, factual information at speaking/fund-raising presentations when appropriate.

For example, “Did you know that last year alone in our county, _____ were in need of (your service)? These are the clients we want to serve.”

This is a powerful communication in describing “the need,” gives your audience reason to support your efforts, and gives you credibility in the your field.

3. Often, foundations or corporations who are considering a sizeable gift want to know if you have done your homework and have measured the cost to accomplish your mission; a well done business plan is your proof!
4. A business plan provides the framework for the direction and focus of your organization.

The Business Plan Content and Flow

SECTION I: “A REAL NEED EXISTS” (3-4 PAGES)

SUB-SECTIONS

1. Define the type client to be served (gender, age range, special needs, etc.)
2. Explain and validate with non-biased, published stats and quotes (experts, local professionals, etc.) “the need” for your proposed offering in your service area (the primary group of counties you will serve). Include a map with the service area counties highlighted.
3. Briefly discuss other facilities in your service area who serve your type client and how they differ from the program you will offer.

SECTION II: “HOW [NAME OF PROGRAM] WILL MEET THE NEED” (3-6 PAGES)

SUB-SECTIONS

1. Mission Statement—short and concise; describes who will be served and the program’s vision. Spend time with your inner circle in developing this statement. This is important!

Example, Eagle Ranch mission statement: Eagle Ranch helps make life better for children and their families, positively impacting communities for the glory of God.

2. Description of goals for the client’s lives.
3. Description of the program— you need several sub-sections here to describe different aspects of your program. This should provide a summation of the key components of your program and how they will help you meet your client’s goals.
4. You may want to begin the Description of Program section with a paragraph that states that you have visited “X” number of facilities which enabled you to choose the best practices across all facilities to ensure your program is positioned well to meet the needs of the clients to be served.

“Plans fail for lack of counsel, but with many advisers they succeed.”

(Proverbs 15:22).

Wise founders surround themselves with wise advisers who aren’t afraid to challenge their vision and thought processes.

SECTION III: “TIMING AND COST” (3-6 PAGES)

SUB-SECTIONS

1. *Phased Development Plan and Capital Costs*

Describe estimates based on your land, development, and building costs for your specific land site. A phased plan shows you understand the magnitude of the task you are undertaking both from raising capital funds to building a sustainable operational funding base. The following table represents a sample staggered plan. Estimates for your organization will vary based on factors such as: donated materials and labor, location and scope of activity.

Capital Requirements	Phase I (4 Years)	Phase II (4 Years)	Phase III (4 Years)
# of Clients Served	X	2X	3X
Land Purchase (approx 40-60 Acres)	\$500,000	N/A	N/A
Development grading, roads, lake, septic, etc.	\$100,000	\$60,000	\$60,000
Client Housing (if residential)	\$500,000/home (\$1 million)	\$500,000/home (\$1 million)	\$500,000/home (\$1 million)
Administration Building	\$50,000 (modular)	\$500,000 (permanent building)	\$200,000 (admin. capacity build out)
Common Building (gym, fellowship)		\$750,000 (structure)	\$250,000 (build out)
TOTAL	\$1.15 million	\$1.81 million	\$1.01 million

2. *Operating Cost*

Expert advice is needed here to portray realistic costs. The “capital” plan should be done prior to this step. Seek advice from other programs to help build out the operating cost. You may want to obtain the latest edition of the U.S. Human Services Workforce Trends and Compensation Study from the Alliance for Strong Families and Communities (414-359-1040 or alliance1.org) for reasonable salary ranges. Competitive salaries are necessary to recruit quality staff, otherwise you set up a false operating economy.

3. *Establish a funding philosophy and guiding principles*

How you “fundraise” usually is a reflection of the Founder’s personality— low key, aggressive, charismatic, etc. Develop strategies and tactics that are aligned with your philosophy and principles. Creating and distributing literature, developing a website and online presence, scheduling donor meetings and community speaking engagements are just a few tactics that are foundational when considering ways to attract and retain donors.

3 – Incorporate and File for 501(c)(3) Tax-exempt Status

Contact the Secretary of State’s office for information on how to incorporate your organization. Articles of Incorporation and bylaws will need to be developed for your organization. To file for 501(c)(3) tax-exempt status, you must complete Form 1023. This information is available at www.irs.gov. Contact a local attorney and/or CPA for assistance in completing these steps.

Establish a temporary board of directors. It is recommended that these individuals be asked to serve explicitly as a “founding board” (see step 4). Make it clear that their service is important for a limited period of time. Ensure there is a resignation process in place once legal requirements are fulfilled.

4 – Develop an Effective Board of Directors

Each board member should bring at least two of the following criteria: wisdom, work, wealth, and/or connections. These men and women serve as the “gatekeepers” of the vision. You should recruit committed Christians with appropriate skill sets.

The executive director should not be a member of the board of directors for two primary reasons. First, the executive director should be accountable to a board, which is the governing body of an organization. Secondly, many funding sources will not contribute to organizations whose executive director serves on the board.

Choose board members prayerfully and wisely. They should be well-respected and knowledgeable in their field. Don’t get spread out geographically. Use politicians and ministers as board members cautiously. These two professions can be very polarizing and can adversely affect your organization through their affiliations.

A cabinet form of governance is highly recommended. In a cabinet board, key areas or processes of your organization will be represented through board committees (e.g., Finance, Development, Program/HR, Communications).

Following are suggested positions you might consider for your committees:

Finance	Development	Program & HR	Communications
CFO	CEO	CEO/COO	Marketing or PR Expertise
CPA	Foundation Executive	Organizational Expertise	Media Expertise
Attorney	Wealth Manager	Programmatic Expertise	Entrepreneur
Insurance	Development Expertise	HR/Recruiting Expertise	Graphics/Digital Design Expertise

A cabinet board disciplines you to recruit board members with specific skill sets that match the key process areas of your organization. It allows the board to make informed decisions because of the respective skill sets that are represented.

An ad hoc building and grounds committee may also be helpful in the very early years of an organization but is usually not necessary in later years.

A total of 13 board members is ultimately recommended— 3 for each committee and 1 chairman of the board. Meetings should be held in each quarter of the year— 3 to deal with operational matters and one annual day-long or multi-day retreat to make strategic plans for the upcoming year.

A rotation schedule for board members' terms should be established. At Eagle Ranch, our board members serve three-year terms. They may serve two consecutive three-year terms and then rotate off the board at least one year before beginning another three-year term. Keep an ongoing list of people that you are cultivating as possible board members to bring fresh perspectives and ideas to your organization. However, we do recommend rotating back former board members for institutional knowledge.

Make sure that board terms are set so that not all committee members rotate off the board at one time. Initial terms may need to be staggered for one, two or three years to keep continuity and momentum.

The board of directors should function in a strategic oversight role, not as a tactical/micro-managing entity. In the early years, the executive director will need to leverage the board more tactically than in later years because of a lean staff. Take time to provide an orientation day for new board members so they can contribute early in their tenure. This could include history of the organization, core values, meeting with senior staff, tour of the facility, strengths/challenges of the organization, possible future growth scenarios, etc.

In addition to a board of directors, you should establish a board of advisors to provide credibility for your organization, open doors to funding sources, and to add expertise in a particular area (primarily in the early years). The advisory board is strictly advisory and has no governing role in your organization. You should communicate progress with them regularly, but they will not meet formally.

5 – Conduct a Thoughtful Land Search

Once you have narrowed your location options based on the need for services (as discovered through your research), you should create a land profile— a one-page document explaining the specific requirements by which potential land sites will be evaluated (acreage based on topography, access to quality medical and educational services, etc.). This document can then be distributed to local agents/brokers to search for the land that fits your profile.

You can also search land records for the county/counties in your primary service area for a list of landowners with acreage that meet the your criteria. Public Relations advice is critical for this step; you don't want to alarm the neighbors.

As you consider each site, be sure to learn about county zoning issues and neighborhood concerns and how they may affect your choice of a particular land site.

Once possible sites are decided upon, consult an **expert** land planner to ensure the sites meet your needs topographically (your land plan can be laid out efficiently and strategically) and to estimate development costs for each site. Development costs are a significant factor when purchasing acreage. Get local building expertise to estimate the real cost of proposed buildings. These cost estimates will be very important as you develop your capital campaign to raise funds.

Financial considerations, zoning, and other community issues should all be considered prior to signing a contract for the purchase of land. Many potential programs have been derailed by zoning opposition. Once you and your advisors have decided on the appropriate site, try to negotiate a contract with a delayed closing to allow time to raise funds and one that is contingent on zoning approval.

A land planner needs to include a buffer area around your property to protect your program from existing or future adjacent developments.

Does your land plan allow for future expansion?

6 – Prepare Public Relations Plan for Launch

Use your board’s communications committee or an ad hoc committee of communications experts to help develop an initial strategy and action plan for delivering your message.

This is a critical area that demands outside expertise. Your team could include a public relations expert, social media expert, event planner, ad agency executive, marketing executive, website developer, etc. This expertise is especially important as you undertake your land search. Misunderstandings by potential neighbors as a result of poor communication can greatly undermine your land search.

Creating a well-developed and timed PR plan will allow you to “ride the wave” until your program opens. Creating a premature PR “push” that is followed by a two-year lapse of inactivity is more damaging and can compromise your credibility. Timing is critical in rolling out your message.

It is very important to develop a clear mission statement and use it in all communication pieces. Be an organization of integrity— what’s going on inside should match what is presented to the outside world.

Avoid “sloppy agape.” You should not avoid the fact that you are founding a Christian organization but resist the urge to evangelize a secular media. Your message has to be palatable to both the secular and Christian audience.

When speaking with the media, you should be well-prepared. Create a fact sheet that clearly describes pertinent information about your organization (i.e., mission statement; descriptions of the children you serve, envisioned physical campus, programs; financial overview, capital campaign; contact information) that you can give to media contacts. A media kit should include a fact sheet, video (if available), key newsletters, previously published articles, etc. It’s your job to educate reporters and control the story information as much as possible, especially with inexperienced writers. Stay with sound bites that cannot be misconstrued. With experienced and trustworthy reporters, you can be more expressive.

Inaccurate information about your organization, especially in the “early years” can compromise your messaging for **many years**.



Deliver a consistent message about the mission of your organization throughout all forms of communication.

7 – Hire an Executive Administrative Assistant

Your first hire should be an executive administrative assistant. Someone who has prior executive assistant experience and brings significant skills is preferable. This person is the primary point of contact for your organization, so a professional image and excellent grammar are very important.

In the early days, your assistant will be responsible for many different processes so you need someone who is bright, organized and flexible.

This is not an area to go “cheap.” If salary is an issue, hire a part-time executive administrative assistant.

HIRING PHILOSOPHY

- Your organization is no better than the people you employ.
- “A” people will attract other “A” people.
- Hire people you can live with in community.
- Education and experience are only two of the hiring variables.
- Look for people with:
 - A consistent “Christian walk”
 - Intelligence
 - Common sense
 - A teachable spirit
 - Collaborative skills
 - A healthy sense of humor
 - Flexible

8 – Develop and Implement a Capital Campaign Plan

Consult with your land planner to finalize a development plan for your property. Have floor plans and a rendering drawn up for buildings to be constructed in the first development phase. Construction estimates based on square footage will help you plan building costs. Don't forget to include site development, landscaping, furnishings, vehicles, etc. in your capital campaign as necessary. Create collaterals that describe in detail your needs and costs for the capital campaign.

Your organization should operate with a debt-free philosophy for the following reasons:

- People give sacrificially to the mission, not to service a debt.
- It's easier to raise capital funds than operational funds.
- It creates a sense of urgency and buy-in from the community.
- God can provide before as well as after.

Be careful that capital development does not exceed your ability to sustain it operationally or programmatically. It's better to spend time building a strong operational base than to over-reach through aggressive capital expansion.

Principles of Effective Fundraising

- People give for three key reasons:
 - A documented need
 - Clearly articulated vision
 - Strong relationship
- Do not compromise your principles for money.
- Don't get tied to one large donor.
- Don't manipulate donors for funds – simply share your vision and let God do the rest!

9 – Develop the Program

- Hire your program staff leader 8-12 months prior. Their main role during this time is to visit other organizations in your “space,” develop a thorough program plan, and educate potential referral sources.
- Develop hiring criteria/process for screening staff.
- Develop selection criteria process for screening clients.
- Develop documentation system to meet the requirements of any state regulations.
- Begin to build relationships with referral sources.

10 – Open the Program

- Finalize client screening process and begin interviewing clients.
- Set timing of first client’s arrival and launch appropriate media exposure.
- Opening!

Final Thoughts

When you embark on this journey to start a nonprofit, it will take, on average, four years before your program opens and your first client arrives. Foundational steps, as described in this document, cannot be circumvented if you hope to have a program built on solid footing.

Associations for Building Knowledge Base

Christian Leadership Alliance

635 Carmino de los Mares, Suite 309
San Clemente, CA 92673
www.christianleadershipalliance.org
949-487-0900

ECFA - Evangelical Council for Financial Accountability

440 West J Early Dr, Suite 100
Winchester, VA 22601
800.323.9473
www.ecfa.org

Guidestar

www.guidestar.org
1-800-421-8656

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