Clearing the Path - Top 5 Things to Do BEFORE Starting a New Nonprofit

Side Project Inc.

Building Capacity
Identifying Resources
Capturing Outcomes

Gateway HorseWorks
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Welcome

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Welcome

_Clearing the Path – Top 5 Things to Do BEFORE Starting a New Nonprofit_

1. Develop a strategic plan
2. Enlist the support of like-minded people
3. Choose a corporate structure
4. Build your organizational social capital
5. Track and evaluate progress
Disclaimer

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Attendance at this program does not result in an attorney-client relationship.

Consult an attorney before acting on the information.

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Two Parts: Forming a viable nonprofit organization

• **The mechanics** – filing paperwork to meet local, state, & federal requirements. Believe it or not, this is the easy part!

• **The planning** – getting your ducks in a row so that you have the best possible chance for success.

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Why?
Reasons given by others:

- Unfilled need in the community
- Earn a salary for volunteer work
- Want to run own organization
- Honor a family member’s memory
- For-profit conversion to tap new $
- Formalize work currently doing
- To do good
The very best, A+, ideal response:

• There is a need in the community which is not being addressed by any other organizations.
• Several funders and individual donors have committed dollars to the new organization.
• 6 “disinterested” people have agreed to serve on the founding board & help with fundraising
• The founder doesn’t require a steady income or benefits for 3 years.
1. Develop a Strategic Plan
Where to start?

Mission – why organization was created.

The mission of Gateway HorseWorks is to offer transformative equine-assisted psychotherapy services to children, adults, and families in a healing, farm-based environment.
Where to start?

Vision - a statement that describes your clients if your organization is successful.

Gateway HorseWorks will continue to provide equine-assisted psychotherapy services to children, adults, and families, and will be a leader in the field of education, research, and innovation of the EAGALA Model®. Gateway HorseWorks will develop and create a farm-based learning and healing center committed to the wellness of the mind, body, and spirit of its clients, as well as the sustainability of the environment.
Hope is not a strategy!
Inputs

Gateway HorseWorks’ Examples:
• EAGALA certified staff
• Committed future board members
• Start-up funds
• Existing, transferable contracts
• Affordable & reputable facility
Outputs

Gateway HorseWorks’ Example:

- Adult probation program
- Women 18+
- Groups of 8 for 8 weeks
- Partner with county
Outcomes

Gateway HorseWorks’ Example:

- **Short term**: increased engagement in probation programming
  - **Medium term**: reduce recidivism
  - **Long term**: mental health stability and wellness
How do I get start-up money?

Most common ways to get start-up money:

- Donate your own time and money (most common).
- Ask friends and supporters for startup funds.
- Apply to foundations for seed money. (This is rare)

You need a realistic fund development plan before you start!
Nonprofit Contributions

2013 contributions: $335.17 billion by source of contributions (in billions of dollars – all figures are rounded)

© 2014 Giving USA Foundation™
SOURCE: Giving USA Foundation | GIVING USA 2014
Nonprofit Revenue

Figure 2. Sources of Revenue for Reporting Public Charities, 2011 (percent)

- Investment income: 2.6%
- Government grants: 9.5%
- Private contributions: 12.6%
- Fees for services and goods from private sources: 46.6%
- Fees for services and goods from government sources: 23.2%
- Other income: 5.5%

Nonprofit Center for Charitable Statistics and Urban Institute, 2013
Diversified Fundraising Plan

- Individuals (Annual, major donors, bequests)
- Contracts (Federal, state, local govt.)
- Earned Revenue (Sale of goods, expertise, services)
- Foundation (Family, Corporate, community, etc.)
- Business (In-kind, donations)
- Civic organizations (United Way, Kiwanis, etc.)
- Special Events
2. Enlist the support of like-minded people
“Coming together is a beginning; keeping together is progress; working together is success.”  -Henry Ford
3. Choose a Corporate Structure
Options

- Nonprofit
- Fiscal Sponsorship
- For Profit
- For-Profit Hybrid
Benefits to 501(c)(3) organizations

- Don’t pay Federal or state corporate income tax
- Donations to your organization are tax-deductible
- Eligible for property tax exemption
- Eligible for PA sales tax exemption
- Eligible for nonprofit bulk mail rate
- Some government contracts and grants are only available to nonprofits
- Many foundations make grants only to nonprofits
- Nonprofit status communicates that you are dedicated to community good
Restrictions placed on 501(c)(3)’s

- Can’t distribute profits to shareholders or others
- Must have a board of directors to represent the public’s stake in your organization
- Cannot support or oppose candidates for office
- Limits on lobbying (but not on education)
- Can’t be a guise for personal profits
- If you close, you must distribute any remaining assets (such as money) to other nonprofits
- Required annual paperwork for federal and state governments
Partnering with an existing 501(c) (3)

• **Network** – find out what’s already happening in the area. The need for a new corporation is different than the need for a new program!

• **Find a winner** – there are many programs already thriving; chances are someone is already doing what you’re thinking about. If you have something to add, add it to a proven winner! If your program is duplicative, enhance the existing one!

• **Collaborate** – 2 heads are better than 1, 5 heads are better than 2!

• **Fiscal Sponsorship** - adds expertise, oversight, credibility to new organization.
Roles and responsibilities should be negotiated and documented in a written agreement. Every sponsorship is different, but these are the basics:

**Fiscal Sponsorship: Who Does What?**

<table>
<thead>
<tr>
<th><strong>Fiscal Sponsor</strong></th>
<th><strong>Sponsored Project</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>tax-exempt status</strong></td>
<td>Has an obligation to disclose to donors that it does not have tax-exempt status</td>
</tr>
<tr>
<td>Lends credibility of 501(c)(3) status to project</td>
<td>Receives and acknowledges charitable contributions</td>
</tr>
<tr>
<td><strong>fees and funds</strong></td>
<td>Builds and maintains relationships with donors</td>
</tr>
<tr>
<td>Retains control and discretion over funds</td>
<td>Pays administrative fee to and receives flow-through funds from sponsor</td>
</tr>
<tr>
<td><strong>oversight</strong></td>
<td>Complies with record keeping and reports requested by sponsor</td>
</tr>
<tr>
<td>Requests records and reports to fulfill oversight responsibilities</td>
<td><strong>communication</strong></td>
</tr>
<tr>
<td><strong>communication</strong></td>
<td>Communicates regularly with project</td>
</tr>
<tr>
<td>Communicates regularly with project</td>
<td>Communicates regularly with sponsor</td>
</tr>
</tbody>
</table>

As fiscal sponsors, tax-exempt organizations can provide infrastructure and support for a start-up project or new organization, as well as a home for that organization's donations.
A for-profit may work best for you:

- You may want to profit from your idea.
- You may want total control.
- You may want to move faster
- No significant benefit to 501(c)(3)
For-Profit - Nonprofit Hybrid

- Nonprofit & For-Profit linked
- Different Structures - Subsidiary, or related through contract
- Can get complicated quickly
For-Profit Hybrid

Gateway HorseWorks

WorkHorse
Equine Assisted Professional Development
4. Build your organizational social capital
5. Track & Evaluate Progress
Impact Outcomes

Impact Outcomes

- Change you are trying to make in person or community
- Short, Medium and Long Term
- Create evaluation plan around each projected outcome.
“It doesn’t really matter whether you can quantify your results. What matters is that you rigorously assemble evidence—quantitative or qualitative—to track your progress.” - Good to Great and the Social Sectors, Jim Collins (2005)
**Adult probation program: Impact Outcomes**

**Short term:** increased engagement in trauma-informed probation programming
- Partner with West Chester University & Dr. Page Buck to evaluate the effects of the program through a quasi-experimental pre-post-test design.

**Medium term:** reduce recidivism
- review of program records & criminal justice involvement
Process Outcomes

Process Outcomes – Internal Review

- Fundraising
- Operation aspects of program
- Management/Board practices
- Track progress on accomplishing activities and outputs
- Annually review strengths, weaknesses, opportunities and threats
**STRENGTHS**

- Success w/ clients
- Reputation
- Our team - skills of ED, qualities of board members
- Resources
- Our uniqueness
- Clarity of vision, mission & intentions
- Work ethic and passion for EAGALA
- Facility
- Timing, network
- The data supporting this type of psychotherapy is growing and funding is becoming more available from government and academia.

**OPPORTUNITIES**

- PROGRAMS
  
  Focus on 1-3 programs where funding and resources could be available in 2017

- FUNDRAISING
  
  Expand (unique) fundraising opportunities
  
  Personal & professional contacts

- COMMUNICATION STRATEGY
  
  Social media strategy
  
  PR

- GROWTH
  
  Develop new client relationships
  
  Build on existing contracts
  
  Thought Leadership
  
  Research

- MOVE to EXECUTION
  
  Prioritize actions for 2017

**PROBLEMS**

- Relative obscurity / lack of general public’s knowledge and awareness of EAP to address trauma / stress disorders
- Identifying resources
- Need more funding for programs / limited finances
- Newness of organization / Track record / Giving history
- ED is only employee; work volume, insufficient time to devote to fundraising / programming / grant writing
- Scheduling at facility
- Competing programs (non-equine)
- Organizational infrastructure
- Time constraints of board members
- Small BoD / board composition

**THREATS**

- The future of our location, in the event facility limits Gateway’s use of their facilities or programs grow to exceed scheduling capabilities there

- Lack of consistent fundraising income

- Stretching ourselves too thin across programs and/or growing too quickly.

- Lack of commitment from superior mental health professionals due to irregular contracting time / money

- Founder burnout and/or departure.

- Diminished government funding in 2017 with new administration.

Prepared by: Noreen Buchner

The Corporate Greenhouse
**Gateway HorseWorks**

- Continue to develop 4 existing programs
- Expand by leveraging success of existing programs
- Develop and implement 1 new program in 2017

**12-month plan (Jan. 4, 2017)**

- Develop & adopt a written fundraising plan and goals by 2/1/17
- Develop & adopt a written operating budget
- Implement CRM software by 3/1/17 (#7)
- Board to re-establish individual and collective FR goals

**SUPPORTS**

- Outline our approach to board development by 3/1/17
- Generate a list of 110 networking contacts (20 each, Matthew, Glen and Tricia, 50 from Kristen) by 2/15/17 (#6)
- Identify 8, vet 4, on-board 2 new board members, establish criteria
- Seek philanthropists nation-wide
- Fund and attract ½ FTE mental health practitioner
- Continuously mentor 1-2 interns

**CHALLENGES**

- Map vision for future flagship facility
- Begin to incorporate 1 new element into the experience
- Work toward developing the optimal therapeutic environment

**VALUES**

- SELF-DISCOVERY, GROWTH & LEARNING
- TEAMWORK & COMMUNICATION
- INTEGRITY, TRUST & PEACE
- NATURE & SUSTAINABILITY

**VISION**

- Provide Equine Assisted Psychotherapy to children, adults, and families
- Be a leader in the field of education, research, and innovation of the EAGALA Model ®
- Develop and create a farm-based learning and healing center committed to the wellness of the mind, body, and spirit of its clients, as well as the sustainability of the environment.

**COMMUNICATION STRATEGY**

- Develop and adopt a written communication plan including video, social media, PR, etc. by 2/15/17
- Move forward with one research project and 6 speaking engagements for ED
- Continue to provide training workshops – goal is 2 in 2017

**THOUGHT LEADERSHIP**

- Develop and create a farm-based learning and healing center committed to the wellness of the mind, body, and spirit of its clients, as well as the sustainability of the environment.

**FUND RAISING**

- Develop and adopt a written operating budget
- Implement CRM software by 3/1/17 (#7)
- Board to re-establish individual and collective FR goals

**THE FARM**

- Map vision for future flagship facility
- Begin to incorporate 1 new element into the experience
- Work toward developing the optimal therapeutic environment

**PROGRAM DEVELOPMENT**

- Develop and create a farm-based learning and healing center committed to the wellness of the mind, body, and spirit of its clients, as well as the sustainability of the environment.

**ORGANIZATIONAL GROWTH**

- Develop and adopt a written communication plan by 2/15/17
- Develop and adopt a written operating budget
- Implement CRM software by 3/1/17 (#7)
- Board to re-establish individual and collective FR goals

**ATTRACTION**

- Develop a written operating budget
- Implement CRM software by 3/1/17 (#7)
- Board to re-establish individual and collective FR goals

**BOLD STEPS**

1. Develop & adopt a written fundraising plan and goals
2. Develop & adopt a written operating budget
3. On-board 2 new board members in 2017
4. Develop and adopt a written communication plan by 2/15/17
5. Outline our approach to board development by 3/1/17

Prepared by Noreen Buchner
Your Next Steps:

1. Develop a strategic plan
2. Enlist the support of like-minded people
3. Choose a corporate structure
4. Build your organizational social capital
5. Track and evaluate progress
Contact us for more information

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