

New Beginnings

Nonprofit Incubator Guidelines

New Beginnings Nonprofit Incubator

Resources for Human Development (RHD) operates The New Beginnings Nonprofit Incubator to nurture, equip and grow nonprofit programs. Through an application and selection process New Beginnings invites social entrepreneurs and their teams to benefit from technical assistance supportive services and corporate infrastructure offered by RHD through NB's membership. Typically the nonprofit programs that become members of NB strategically benefit from individualized planning and supports for a two – four year period.

Membership in RHD's New Beginnings Nonprofit Incubator

New Beginnings Nonprofit Incubator offers the following services and supports to member programs:

- 501 c3 fiscal sponsorship and inclusion in the RHD's annual audit ;
- fund management and tracking;
- payroll services;
- space for meetings at RHD offices;
- local telephone service and voicemail service;
- access to topical workshops and other skill-building opportunities;
- guidance in seeking grants and funding;
- business, program management and marketing consultation.

Purchased provision of :

Office supplies, photocopies, express courier services and long distance telephone service.

Health, dental, life, and other benefits:

These purchased services are secured at a rate considerably lower than most member programs could secure on their own.

The required overhead fee is fifteen percent (15%) of all member program expenses and is assessed against the member's account. In addition to the fee, an annual payment for is assessed for liability insurance for basic member program operations. Both D&O and general liability insurance are covered.

Tax Exempt Status under Internal Revenue Code Section 501(c)(3)

One of the most important advantages to a program that associates with RHD's NB incubator is the tax-exempt status gained as a result of the membership. Through the requirements of membership, RHD acts as fiscal sponsor and takes complete responsibility for the receipt of income and the expenditure of funds for member program. Income – donated or earned – is thus received tax-free to the program and donations to the program – made through RHD – are tax-deductible to the donor, in accord with federal tax law.

How to Apply

Individuals with programs interested in joining New Beginnings should first have a phone interview with New Beginnings staff and complete an application which may be obtained at the RHD Central Office located at 4700 Wissahickon Avenue, Philadelphia PA 19144, by calling 215-951-0300 x 3559, or on the RHD website at www.RHD.org. The NB Director reviews the application with the input of a committee of NB and RHD staff members.

Criteria For Membership

The application process is very competitive. There are several factors that are mandatory for a potential program to have before being considered for New Beginnings. These are:

- A phone interview with NB staff;
- A completed application;
- A functioning advisory council of at least three (3) individuals committed to the program other than the Program Director outside of family;
- A plan which shows a description of programming and preliminary goals and objectives for the coming year;
- A realistic budget for the next two years;
- A concrete, realistic fund development strategy or plan for attaining funding for the program.

Those applicants that are mission eligible and are considered feasible will be invited to a meeting between the principals of the applicant and the NB staff. The services and requirements of New Beginnings will be presented and discussed and the proposed member program will be more intensely reviewed by the NB Director and Budget Manager. If the program is invited to become a member of New Beginnings, the details of membership within NB will be discussed at length and appropriate documentation of the understanding of the terms of the relationship will be completed. In the spirit of maintaining the highest quality relationship with all stakeholders, a final document is executed stating the terms of the relationship.

It is important to clearly understand the nature of the relationship between the member program and New Beginnings and everyone considering membership is urged to look over the NB materials very carefully and to ask questions before establishing the relationship.

Programs Agreement

There are several items that New Beginnings Incubator programs would agree to prior to membership. These are further outlined in the contract and in the New Beginnings Manual. Some important items of note include:

- Programs must ensure every fiscal transaction is channeled through RHD. Meaning--
 - Upon its acceptance into New Beginnings Incubator, all of the member program's funds are transferred to RHD to create an account for the member program, with the consent of grantors or donors of restricted funds.

- All expenses are paid through RHD.
 - All income is received through RHD.
 - No program may have an outside bank account in the program's name once the program becomes a member of New Beginnings.
- New Beginnings Incubator member programs must operate balanced budgets.
 - New Beginnings Incubator programs are responsible for all of their own fundraising.
 - No contracts may be entered into without express RHD approval.
 - All employees of the program would be managed under the policies and procedures of RHD.
 - Program Director agrees to a yearly evaluation by NB Team.
 - During the first year, Program Directors are required to attend individual monthly meetings with the Director or Program Coordinator of New Beginnings. After the first year, Program Directors are required to meet with NB staff quarterly or more frequently, as requested by the NB staff.
 - At least once during each year, NB staff will meet with every program's advisory council or board. Additionally, NB staff are to receive at least quarterly meeting minutes of advisory council meeting minutes.
 - During the first year, all new Program Directors must attend at least four workshops during the first year. Past the first year, Program Directors must attend or send representation to at least two workshops during the year.
 - The maximum length of stay within the New Beginnings Incubator is five years. After this time, consideration may be given to programs that may need additional support. However, most programs are expected to either graduate from the Incubator or move to RHD Assist.
 - New Beginnings Incubator programs agree to sign the Contract and New Beginnings Manual that outlines the responsibilities of member organizations and commitment and responsibilities of RHD to member organizations.

New Beginnings

RHD ASSIST Guidelines

New Beginnings RHD Assist

As an established entity, nonprofit or 501(c)(3) organization, there are many reasons for choosing fiscal sponsorship. The reasons are as varied as the organizations themselves. Some examples include,

- Nonprofits entities seeking an alternative for their charitable activity other than setting up their own 501(c)(3) corporation;
- Existing 501(c)(3) nonprofits looking for the opportunity to reorganize and regroup under a larger umbrella; or,
- Nonprofits seeking the opportunity to spin off from another nonprofit or fiscal sponsor.

New Beginnings RHD Assist provides participating entities, for the overhead fee of 15%, access to back-office support and shared resources that allow programs under our umbrella to attend to their mission and provide services to their clients. Instead of directing their energy on accounting, human resources and payroll, nonprofit staff can spend time being social entrepreneurs and serving the public.

Membership in RHD's New Beginnings—RHD ASSIST

RHD Assist offers the following services and supports to member programs:

- 501(c)(3) fiscal sponsorship and inclusion in RHD's annual audit;
- fund management and tracking;
- payroll services;
- space for meetings at RHD offices;
- local telephone service and voicemail service;
- access to topical workshops and other skill-building opportunities;

Purchased provision of:

Office supplies, photocopies, express courier services and long distance telephone service

Health, dental, life and other benefits:

These purchased services are secured at a rate considerably lower than most member programs could secure on their own.

The overhead fee is fifteen percent (15%) of all member program expenses and is assessed against the member's account. In addition to the fee, an annual payment of \$250 (changes yearly) is assessed for liability insurance for basic member program operations. Both D&O and general liability insurance are covered.

Tax Exempt Status under Internal Revenue Code Section 501(c)(3)

One of the most important advantages to a program that associates with RHD Assist can be the tax-exempt status gained as a result of the membership. Through the requirements of membership, RHD acts as fiscal sponsor for the member program and takes complete responsibility for the receipt of income and the expenditure of funds with respect to the member program. Income – donated or earned – is thus received tax-free to the program and donations to the program – made through RHD – are tax-deductible to the donor, in accord with federal tax law.

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Criteria For Membership

The application process is very competitive. There are several factors that are mandatory for a potential program to have before being considered for RHD Assist. These are:

- A phone interview with NB staff;
- A completed application;
- A functioning Advisory Council/Board of Directors that has been meeting for at least one year;
- A copy of your organization's operating guidelines or by-laws
- Copies of Advisory Council/Board of Directors meeting minutes from the last year;
- Budgets from the last three years and a projected budget for the next year;
- Minimum budget of \$25,000 and/or six months of operating costs;
- Two letters of reference from vendors/ colleagues/ funders
- A strategic plan for the next two years, if available;
- A concrete, realistic fund development strategy or plan for attaining funding for the program

Those applicants that are mission eligible and are considered feasible will be invited to a meeting between the principals of the applicant and the NB staff. The services and requirements of RHD Assist will be presented and discussed and the proposed member program will be more intensely reviewed by the NB Director and Budget Manager. If the program is invited to become a member of RHD Assist, the details of membership will be discussed at length and appropriate documentation of the understanding of the terms of the relationship will be completed. In the spirit of maintaining the highest quality relationship with all stakeholders, a final document is executed stating the terms of the relationship.

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 - All expenses are paid through RHD.
 - All income is received through RHD.
 - No program may have an outside bank account in the program's name once the program becomes a member of New Beginnings.

- RHD Assist member programs must operate balanced budgets.

- RHD Assist programs are responsible for all of their own fundraising.

- No contracts may be entered into without express RHD approval.

- All employees of the program would be managed under the policies and procedures of RHD.

- RHD Assist programs agree to sign the Contract and New Beginnings Manual that outlines the responsibilities of member organizations and commitment and responsibilities of RHD to member organizations.