

TEN STEPS TO SETTING UP AN OFFICE: A GUIDE FOR SMALL NONPROFIT ORGANIZATIONS*

PURPOSE: This brief guide is designed to assist new nonprofit organizations to set up their first office and begin operating projects.

ASSUMPTIONS: Your organization exists because a group of people saw a need in the community and felt that by working together, they could help to meet it. You decided to operate as a nonprofit organization rather than as a profit-making company. Your idea has flowered, you have been operating (probably on a volunteer basis) for some weeks or months, and you believe you are helping your community by providing a useful service, such as providing English-as-a-Second-Language (ESL) training, helping immigrant professionals to become recertified, helping immigrants to start businesses, or providing counseling to immigrant families. You have operated informally and largely through volunteers. You probably worked out of someone's apartment, or used donated space in someone else's offices. Now you have decided it is time to set up your first office.

STEPS:

- 1. Be sure you have a clear project plan -- since that will determine your facility and related management needs.** Know what geographic area you will cover so your office can be convenient to your work. Be clear on the activities you will carry out. Consider how many staff and/or volunteers will be involved. Determine what facilities and equipment will be needed to carry out your project -- a computer, copier, telephone, fax machine. Sit down with the people who will be most involved in project implementation, and clarify your office requirements.

- 2. Prepare -- and continue to refine -- an office development plan which includes the major tasks, deadlines, and responsibilities for establishing your office.** Identify all the things that need to be done, from looking at office space to arranging for furniture, painting, and moving in. Set deadlines for completing them, and assign responsibilities for implementing and overseeing them. Determine the date by which you need to be settled in your new office, and work backwards in order to set realistic interim deadlines. Your initial plan may be broad, but you should be able to refine and further detail it as you go along. Be sure the plan has the support of your member or Board of Directors, and that everyone agrees to share the work.

* Prepared by Emily Gantz McKay, President, MOSAICA, for use in training NGOs for the International Rescue Committee Umbrella Grant in Sarajevo, March 1995. Revised for use with NYANA, August 1995.

3. **List the expected uses of your office.** For example: If you are providing direct services to groups of clients, will they be coming to your office for services, or will you go to them, in schools or existing community facilities? If clients will be coming to your offices, how many might be present at any given time? Is there a need for privacy for counseling? Comfortable space for a group meeting or training session? At what hours will various activities occur -- during the day, in the evening, or on weekends? If you will not be seeing clients in your offices, how many staff or volunteers might be in the office at a time? Do you need only a desk and basic office equipment? Or do you need space for volunteer or membership meetings? Decide on both your minimum requirements and your preferred office size and scope.
4. **Figure out how much money is available for operating costs, and how it is budgeted.** Do you have money for rent, or must you obtain donated space? How much money is available for monthly costs like telephone? Do you have money to purchase or rent equipment, or pay partial costs if you use someone else's? If you are still negotiating your budget, see whether it needs modification to allocate funds for rent, utilities, and office maintenance costs, as well as equipment, supplies, and communication costs.
5. **Agree on a decision-making process for establishing the office.** You don't want your entire membership or Board to have to meet every time a decision is needed about minor purchases, but you may want a careful review of major decisions like where to locate the office. Decide what decisions must be made by the full group and which can be delegated to a small committee and/or a single individual; then select the people who will be responsible. Be very clear on the level of authority of this group or individual to make decisions and commit the organization's funds, and specify when approval from a larger group is required.
6. **Look for in-kind contributions.** Can someone donate space? Provide some desks, chairs, or other office furniture? Provide a telephone or fax machine? Will another nonprofit organization or business let you use its offices or equipment? If you have some money for office costs, can you extend it by asking for a partial donation? Can you share costs with several other organizations?
7. **Decide how you will manage funds and other resources.** Agree on who will be directly responsible for financial management, and how the larger group will provide oversight. Decide how decisions on spending money will be made. Who must approve expenditures? Who will be responsible for opening a bank account? Signing checks? Keeping the accounts? Probably you will want either the Board or a committee to oversee finances, with that group headed by a volunteer treasurer selected from among your members. You may need to pay someone to keep the books. If you are not incorporated and tax-exempt, make sure you meet legal requirements regarding managing funds. You will probably need a tax-exempt organization to serve as your "funding agent," and be legally accountable for any grants you receive.

- 8. Prepare estimates of start-up and operating costs for the office.** Look at available offices and see what they cost per month for rent, utilities, and maintenance; get prices for office furniture and equipment you plan to purchase new or used; and find out how much it will cost to set up the office. Consider costs of getting a telephone installed, moving donated or purchased furniture or equipment, painting or making repairs. Also consider the monthly costs to maintain the office; consider not just rent but also cleaning costs, utilities, taxes, operating costs for equipment such as the telephone, etc. Only by understanding both start-up and operating costs can you decide whether your proposed office is affordable.
- 9. Make a decision only after investigating alternatives, getting proposed agreements in writing, and considering possible problem areas.** Look at several offices, negotiate with landlords, and get all verbal commitments to writing so the costs and benefits are clear and there will be no misunderstandings later. List the costs and benefits of each proposed site -- any costs besides rent; access to shared equipment and the associated costs; furniture and equipment which will need to be obtained; access to shared facilities such as a conference room. If your organization does much of its work on weekends or in the evening, be sure the building provides heating and air conditioning at those times. Consider the advantages and problems associated with each alternative -- for example: Office alternative #1 would involve moving in with another nonprofit organization, which already has a telephone system and fax machine that could be shared, but the space available is limited and there is no large meeting room; office alternative #2 is spacious, comes with next-door access to communications equipment, but is not located as conveniently; office alternative #3 comes with no furniture or equipment but is very centrally located, low-cost, and has a very practical layout. Have the responsible group consider both financial and non-financial factors in choosing an office arrangement.
- 10. Carefully monitor and control time, cash, and other costs associated with each step in establishing the office.** Have someone take clear responsibility for overseeing the actual establishment of the office. Be sure you have in writing an estimate of the time and costs involved in each major component of the process, from signing a lease to doing repairs to getting furniture moved in to obtaining communications equipment. Keep a little unallocated money in reserve, since unexpected costs are almost inevitable. Don't allow anyone to increase costs beyond original estimates unless there is a valid reason -- and unless you have the money to cover those costs. Recognize that time is as important to you as money, and monitor progress carefully.

LEARNING FROM EXPERIENCE: Setting up your first office is a learning experience. Be sure you document what works and what doesn't, so the next office move will be easier. Keep

information on reliable people to contact for help. Debrief as an organization, and decide and document what you will do differently next time. Share your experience with other immigrant-focused organizations which set up an office after you.

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