Guide to Starting a Children’s Home

developed by

EAGLE RANCH

Updated Nov. 2010
Thank you for your interest in the Eagle Ranch Wings Initiative. This initiative was launched in 1996 in response to the numerous inquiries we received about how to start or retool a children’s home. We began hosting annual seminars to help potential children’s home founders and staff members of existing homes learn strategies for successfully modeling a home based on the Eagle Ranch program.

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

After more than a decade of conducting group seminars, we have restructured the Wings Initiative. This booklet provides basic information from our seminar 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 and revise these materials.

Our experience has shown that the most successful participants in the Wings Initiative are those who have completed the foundational steps of their business planning.

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 1-800-455-9929 or 770-967-8500 for assistance between the hours of 9:00 a.m. and 4:30 p.m. (Eastern Standard Time) Monday through Friday to discuss further training and mentoring options that are available through the Wings Initiative.

God’s Blessings in Your Endeavors,

Eddie Staub
Founder and Executive Director

EagleRanch.org
10 Critical Steps to Start a Children’s Home Successfully

1. Research and Document the Need

2. Build a Full Business Plan

3. Incorporate and File for 501C3

4. Develop an Effective Board of Directors

5. Conduct a Thoughtful Land Search

6. Prepare Public Relations Plan for Launch

7. Hire an Executive Secretary

8. Develop and Implement Capital Campaign Plan

9. Develop the Program

10. Open the Program
Visit . . .

At least 3-4 children’s homes (talk with the Executive Director and other senior staff).

Potential questions to ask:

- Describe the children you serve.
- The average age of the children placed in care?
- Where do children come from (i.e., principal referral sources by %)?
- Child care placement trends in your locale?
- Average length of stay for a child in your program? Where does the child typically go after their stay?
- Greatest challenges in working with children?
- Greatest staffing challenges?
- Program’s overall greatest strength and greatest challenge?

A well-respected local juvenile judge.

Potential questions to ask:

- What are the out-of-home placement options for first time offenders?
- What are the out-of-home placement alternatives you would like to see in your locale?
- What features should that program have?
- If a residential program alternative existed for first time offenders that provided counseling for the child and his or her family’s issues, education remediation and taught study skills, and worked toward family reunification—how many times a month would you have an opportunity to refer someone?
- Would they provide a statement of need for the type children under their purview?

Researching the need and child care trends in your area is critical. You must become knowledgeable about what services are currently provided and what the needs are for children.
**Visit . . .**

**Child welfare departments** in your state and local area.

Potential questions to ask:

- Are there sufficient out-of-home placement alternatives for their case load?
- Is there a greater need for out-of-home placements for girls or boys? Which age range?
- Describe the children that come under the purview of child welfare—emotionally, family situation, and educationally.
- What is the average length of time a child is in out-of-home placement? How many stay their entire childhood in out-of-home placement?
- Does their department require programs provide counseling and work with the families of the children?
- Who are considered the best children’s homes in the state? What makes them effective? Why do you place children there?
- Would they provide a statement of need for the type children under their purview?

**Local elementary and middle school counselors.**

Potential questions to ask:

- How often would an out-of-home placement option for a struggling child be needed?
- What are critical features of an out-of-home program that are important for you to recommend families?

**Determine your primary service area and learn all about childcare 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 home and contiguous counties
- Contact your State’s “Association of Homes and Services for Children” or any child advocacy group.
  - Ask for a list of every emergency shelter, group home, residential home, or any group that is providing service for at-risk children 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” for the area’s children. You just want to be part of helping children in crisis.
  - Plot all of these programs on your county map
Reasons you must do 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 the other organizations serving children in the area (counties) you plan to serve. You must know each organization and what type child 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 the child care ministry industry. 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 ministry.

4. It gives you an understanding of the real cost to capitalize and operate a home.

Benefits of a Well Done Business Plan

1. Provides key information to incorporate into brochures; therefore keeping messaging consistent.

2. It allows you to effectively communicate detailed information at speaking/fund-raising presentations when appropriate.

For example, “Did you know that last year alone in our county, 137 children were in need of out-of-home placement? However, only 35 couples are licensed to provide foster care and they each can serve 2 children at any one time. In addition, only one group home exists that can serve 12 children. That means there were 55 children needing out-of-home placement who were unable to find an appropriate placement. These are the children we want to serve.”

This is powerful in describing “the need,” gives your audience reason to support your efforts, and gives you credibility in the child caring 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 child to be served (gender, age range, special needs, etc)

2. Explain and validate with non-biased, published stats and quotes (child care experts, local child welfare professionals, juvenile court judges, therapists, 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/group homes/emergency shelters in your service area who serve children 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 type of child to be served and the program’s vision. Spend time with your inner circle in developing this statement. Important!

Example, Eagle Ranch mission statement: Eagle Ranch provides a Christ-centered home for boys and girls in crisis and in need of hope and healing. Partnering with their families, we pursue family restoration and reunification. We seek to influence and equip others who share a similar calling to impact children, families and future generations.

2. Description of Goals for the Children’s Lives

3. Description of the Program—you need several subsections here to describe homelife, education, therapy, etc. This should provide a summation of the key components of your program and how you will meet childcare goals.

You may want to begin 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 children to be served.

“Plans fail for lack of counsel, but with many advisors they succeed” (Psalms 15:22). A wise founder surrounds themself with wise advisors who are not afraid to challenge your 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 over many years shows you understand the magnitude of the task you are undertaking both from raising capital funds to building a sustainable operational funding base. A staggered plan addresses both of these issues.

PHASED DEVELOPMENT AND CAPITAL COSTS EXAMPLE:

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td># of children served</td>
<td>12</td>
<td>24</td>
<td>36</td>
</tr>
<tr>
<td>Land &amp; Development:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Purchase -- (1)</td>
<td>$400,000</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Development grading, roads,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lake, septic, etc.</td>
<td>$65,000</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Homes or Children (2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase One - 2 homes</td>
<td>$900,000</td>
<td>$900,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>Phase Two - 2 homes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase Three - 2 homes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin/Counseling Building</td>
<td>$400,000</td>
<td>$125,000 (complete basement)</td>
<td></td>
</tr>
<tr>
<td>Staff Housing (4)</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Gymnasium (5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School (6)</td>
<td>$600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,515,000</td>
<td>$2,070,000</td>
<td>$1,695,000</td>
</tr>
</tbody>
</table>

NOTES:
(*) Not adjusted for future inflation
(1) 200 acres at 2k per acre
(2) 6,000 sq foot homes to house 6 children, houseparent couple, and their own children; 6,000 sq ft x $75 = $450,000 per home
(3) 7,500 sq ft when completed; two story building w/ 2nd floor completed in Phase III
(4) Each home will be 2,000 sq foot at $75 = $150,000
(5) Gym will serve school PE needs, after school needs, and inclement weather activity area for 36 children
(6) School for all children (36, plus staff children)

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 Human Services in North America Compensation Guide from the Alliance for Children and Families (414-359-1040 or alliance1.org) for reasonable salary ranges in children's homes. Competitive salaries are necessary to recruit quality staff.

3. Establish a funding philosophy and guiding principles.
   For example, you may consider taking a low-key approach to fundraising, communicating your vision and sharing honestly to attract supporters. 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 fundamental when considering ways to attract and retain donors.
Contact the Secretary of State’s office for information on how to incorporate your organization. Articles of Incorporation and By Laws will need to be developed for your organization.

To file for 501(c)3 non-profit 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 aforementioned 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.

“Become a student of childrens’ needs and placement requirements in your state. Identify components that will make your program relevant to those needs and ensure you will receive placements.”
These men and women serve as the “gatekeepers” of the vision. You should recruit committed Christians with appropriate skill sets. Each Boardmember should bring at least two of the following criteria: wisdom, work, wealth connections.

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 the Board, which is the governing body of the organization. Secondly, many funding sources will not contribute to organizations whose Executive Director serves on the Board.

Choose Boardmembers wisely. They should be well-respected and knowledgeable in their field. Don’t get spread out geographically. Use politicians and ministers as Boardmembers 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, personnel/child care, communications).

Following are suggested positions you might consider for your committees:

<table>
<thead>
<tr>
<th>Finance &amp; Development</th>
<th>Personnel &amp; Child Care</th>
<th>Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO</td>
<td>HR Expert</td>
<td>PR Agency Expertise</td>
</tr>
<tr>
<td>CPA</td>
<td>Former Houseparent</td>
<td>Marketing Expertise</td>
</tr>
<tr>
<td>Attorney</td>
<td>Juvenile Advocate</td>
<td>Media Expertise</td>
</tr>
<tr>
<td>Wealth Manager</td>
<td>Recruiting Expert</td>
<td>Entrepreneur</td>
</tr>
<tr>
<td>Insurance</td>
<td>COO</td>
<td>Writer</td>
</tr>
<tr>
<td>Development Expertise</td>
<td>School Administrator</td>
<td>Graphics/Web Design Expertise</td>
</tr>
</tbody>
</table>

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

A 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 Boardmembers is ultimately recommended—4 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 daylong or multi-day retreat to make strategic plans for the upcoming year.

A rotation schedule for Boardmembers’ terms should be established. At Eagle Ranch, our Boardmembers 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. We don’t rely on the same people serving on the Board. Keep an ongoing list of people that you are cultivating as possible Boardmembers to bring fresh perspectives and ideas to your organization.

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/micromanaging entity. In the early years, the Executive Director will probably need to use the Board more tactically than in later years because of a lean staff. Take time to provide an orientation day for new Boardmembers so they can begin to contribute early in their tenure. This could include history of organization, guiding principles, meeting with senior staff, tour of facility, strengths/challenges of 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.

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 and to estimate development costs for each site. Get local building expertise to estimate the real cost of proposed buildings. Both these cost estimates will be very important as you develop your capital campaign to raise funds.

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

Financial, zoning, and other community issues should all be considered prior to contracting for the purchase of land.

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.

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 aforementioned criteria. PR advice is critical for this step; you don’t want to alarm the neighbors.
Prepare Public Relations Plan for Launch

Use a 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, media expert, event planner, ad agency executive, marketing executive, 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 creating 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, 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.”
Your first hire should be an executive secretary. 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 good grammar is 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 secretary with the aforementioned skills.

### Hiring Philosophy

- Your Ranch 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
  - Team player
  - A healthy sense of humor
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 need and costs for the capital campaign.

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

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

Be careful that capital development does not exceed your ability to sustain it operationally. It’s better to spend time building a strong operational base than to overreach 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 Developing the Program

- Hire your first counselor 8-12 months prior to opening the first home. Their main role during this time is to visit other homes, develop a thorough program plan, and educate potential referral sources.
- Develop hiring criteria/process for screening and hiring houseparents
- Develop selection criteria process for screening children (intake)
- Develop documentation system to meet the requirements of state regulation.
- Begin to build relationships with referral sources (local therapists, youth pastors, county office responsible for out-of-home placement of children, elementary and middle school counselors).
- Hire houseparents 2-3 months prior to opening the first home and begin training with counselor.

10 Opening the Program

- Finalize child screening process and begin interviewing children and families.
- Set timing of children’s arrival and launch appropriate media exposure
- Open your home!
Additional Resources
Alliance for Children and Families
11700 W. Lake Park Drive
Milwaukee, WI 53224
www.alliance1.org
414-359-1040 or 800-221-3726

Christian Leadership Alliance
635 Carmino de los Mares, Suite 216
San Clemente, CA 92673
www.christianleadershipalliance.org
949-487-0900

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

Life@Work, Marketplace Success for People of Faith by John Maxwell
(Blending Biblical Wisdom with Business Excellence)
www.lifeatwork.com
www.johnmaxwell.com
www.iequip.org
1-800-739-7863