

Operational Considerations

The saying “you have seen one village, you have seen one village” still holds true, even after 14 years and over 200 villages in the making! As you will see in chapter 5 (Examples for Different villages), there really is no prescribed way to operationalize your organization. The absence of easy-to-follow, well-outlined steps can make the creation of your village a more daunting task. But the upside of having no roadmap is the freedom and flexibility you have to create a structure that suits your unique community.

Villages’ structures and functions exist on a spectrum from highly organized to fairly loose.

- Some are incorporated; others are not.
- Some charge dues; some do not (and dues and costs vary greatly).
- Some offer a limited scope of service, while others have more expansive scopes.
- Some have paid staff, some volunteer staff, some no staff.
- Some are strongly linked to civic associations, while other have no such link.

It is difficult to generalize about what a village is like.

In this chapter, we will outline some of the decisions you may want to make when developing your own village model. There may be additional elements we have not touched on. We will be happy to expand and improve this chapter based on feedback we get from your communities.

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1. What affects your decisions

The operations structure of your village should flow directly from the outcomes of your exploratory work. The data you have collected is the bedrock of your structure. Sometimes, it is very clear to the planning group how they would like to structure their village, and sometimes there are disagreements. When considering the various positions, use the information you have collected to help you reach a decision. Call other villages that seem to have the structure you are considering; find out what they can do to help you, and what they think about your ideas.

Certain types of information should help you:

- **What is the size of your community?** A small community with an existing support structure may not need extra layers of organization. Examples are civic and neighborhood associations and communities of faith.
- **Who lives in your community?** Do you have a fairly large population of older adults (more than 30%) or a mix of age groups?
- **Is your community cohesive?** Transient? Multicultural? Urban? Rural? These demographic data affect how you choose to organize.
- **What are the needs and interests you have documented?** Is the community asking for a comprehensive array of services, or are people asking for social opportunities? The volume of work you plan to accomplish will also affect the organizational structure.
- **What are your leadership team capabilities?** Many village founders have struggled with the need to balance vision and practice. The key is to find that sweet spot between the two. Successful villages rely heavily on local leadership. You may choose to partner with organizations and entities in your area, but they are no substitute for good internal organization, vision, leadership, and management. In addition, some villages have witnessed tremendous personal growth in their leaders, who have developed new skills and learned new tricks over time. Mentorship by other villages is one way a village can equip itself with skill sets it may lack initially.

2. Decision points

Here is a list of decisions to make when designing a model:

Do you wish to incorporate as a free-standing entity or operate under another organization? (See the chapter on legal requirements for more information.)

Do you wish to apply for an Internal Revenue Service nonprofit designation? Do you wish to collect dues? If so how high should they be? Will you have a fund to offer discounted fees?

- Will you use an all-volunteer model or hire a staff person?
- Is membership open only to a specific group or are you open to anyone in your geographical boundary regardless of age?
 - What services will you offer?
 - How will you manage the direct services and administrative business of the organization (the records and accountability)?

Do you wish to incorporate as a free-standing entity or operate under the umbrella of another organization?

From local experience, even villages that are not incorporated are often affiliated with another local nonprofit or government organization. Whether it is a city's social services, a civic/neighborhood association, or a community of faith, the villages become an "extension" of the existing nonprofit and are able to utilize the advantages associated with nonprofit status. The real question is whether your organization should be a stand-alone village or operate under the auspices of another organization.

Below are the considerations for creating your own nonprofit:

Free Standing Organization	Affiliated under another entity
<ul style="list-style-type: none">• Independence in decision-making and implementation.• Ability to grow beyond the boundaries of the original community if the need arises.• Potential to access funds not	<ul style="list-style-type: none">• No costs for incorporation and IRS tax exemption, and no annual reporting need.• Affiliation with the existing nonprofit may offer access to resources not available

<p>available to the existing nonprofit.</p> <ul style="list-style-type: none"> • Ability to create a village identity that is free from association with the existing nonprofit. 	<p>otherwise.</p> <ul style="list-style-type: none"> • Potential cost savings (access to volunteer insurance, office space, phone, website, etc.). • The community may be more likely to adopt the new idea if it comes under the auspices of a known and trusted group. • The nonprofit can offer its communication assets (email lists, newsletter, etc.) to promote the village.
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If you choose to create a freestanding nonprofit, there are resources available that can help you in the process. This Guide has a section on the basics on incorporations and the 501 (c)(3) application, but we strongly recommend consulting with a legal expert to avoid making errors that could cause you trouble down the road.

If you choose to function under the auspices of another nonprofit, it is recommended that you create a Memorandum of Understanding that would formalize the relationship and clarify expectations, roles, and responsibilities. It is essential that you secure the support of the host organizations’ board for your activities ahead of time to avoid any potential conflicts.

Will you collect dues?

Why Collect Dues	Why Not Collect Dues
<ul style="list-style-type: none"> • Funds will be available for operating the Village. • The village may be able to hire staff. • People are more likely to be invested when they put their money on the line. • The village will be able to 	<ul style="list-style-type: none"> • Collecting money requires a traditional nonprofit governance structure (501 (c)(3) tax exempt status), bank account, accountant, treasurer). • It may deter those experiencing financial

demonstrate strong community support for its mission.	<p>hardship from joining, thus creating an exclusive community.</p> <ul style="list-style-type: none"> • The level of fundraising effort needed to maintain the organization is higher.
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To collect membership dues, you need a mechanism to collect and keep track of funds. You will need a bank account and an accountant. You will also need a database to track financial information. Dues range from \$10 to \$1000 annually. The average annual membership for a household of two is \$400. Note that Villages that hire staff report that about 60% of their expenses are covered through membership and all Villages must have a robust fundraising plan to cover all their annual expenses. Villages that do not hire staff and charge a lower membership fee do so not only to have funds to operate but also as a mechanism to encourage ownership.

Will you use the all-volunteer model or hire a staff person?

Hire Staff	All Volunteer
<ul style="list-style-type: none"> • Responsibility for operations, management, and administration clearly defined. • Less strain on leadership. • Professional staff is an additional resource. • Better capacity for growth. • Greater accountability. 	<ul style="list-style-type: none"> • Lower membership dues and costs to residents who want to participate. • Less financial strain to sustain the organization. • Can create a greater sense of community. • Less need for office space and other office infrastructure. <p>Requires more effort on part of volunteers.</p>

The decision to hire staff has significant financial and legal implications. Staff will require higher insurance costs and you will need to consider related expenses such as FICA and Workmen’s Compensation. Some Villages launch their operations with the intention to hire staff when they

have enough money in the bank (the convention being to have \$30,000 in the bank before posting a job opening).

Is membership open only to a specific group, or are you open to anyone in your geographical boundary?

Open to a Specific Group	Open to Anyone
<ul style="list-style-type: none">• Clear mission,• Easy to identify the audience,• Easier to design communication materials,• Better understanding of the needs of members, so you can tailor the programs accordingly.	<ul style="list-style-type: none">• Better growth potential,• Easier to recruit volunteers of all ages,• Fits communities with an even mix of generations,• Able to accommodate people with disabilities of all ages,• Builds a stronger community for everyone.

What services will your village offer?

The chapter on services covers the wide variety of services various Villages offer. There are some commonalities among most villages, but you have the freedom to offer what you think meets the needs of your Village. Many villages start small, with just one or two services. Then, when the board feels it is time to do more, they slowly expand the offerings. If you have a passionate board member who would like to develop a certain program or service, consider delegating that program to that person. This will allow you to tap into the wealth of resources and skill sets unique to your community. You don't need to replicate exactly what other communities have done, and trying to do so may stifle creativity within your village.