



*Section 3:*  
**Charting a Course for  
Success with *START* and  
Center Classification**

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## Charting a Course for Success with START and Center Classification

Every day, Neighborhood Networks centers across the nation offer much-needed programs, services, and activities that deliver technology access to America's communities and move residents toward self-sufficiency. To support these centers in their efforts and help them contribute to fulfilling the mission of the Neighborhood Networks Initiative, HUD offers the Strategic Tracking and Reporting Tool (START), a business-planning tool that guides centers in the development of infrastructure, programs, and budget planning. And, as the Neighborhood Networks Initiative has matured, HUD has created a three-level classification system that recognizes the developmental achievements of centers. Both of these resources are designed to help build sustainable Neighborhood Networks centers.

### ***START: A Roadmap for Success***

Successful businesses share one thing in common—they engage in comprehensive business planning. This is great news for Neighborhood Networks centers because with START, centers can develop a business plan that becomes a roadmap for realizing success.

A thoughtful and carefully implemented business plan serves as a useful roadmap for property owners and managers of Neighborhood Networks centers. A business plan provides a clear set of directions that includes milestones to be achieved along the way. Equipped with a comprehensive business plan, property owners and managers are able to reach the final destination of a self-sustaining, service-oriented center more efficiently and expeditiously.

START allows Neighborhood Networks centers to submit, maintain, and update business plans

electronically. With START, Neighborhood Networks centers are able to:

- Plan center operations.
- Design goals and objectives.
- Identify resident interests leading to the development of more effective programs.
- Track and evaluate changes and accomplishments.

And once a START business plan is in place, Neighborhood Networks centers can track and update:

- Progress toward goals, activities, and outcomes.
- Funding and budgeting information.
- Partnership information.
- Changes in center staffing and staff responsibilities.
- Changes in demographics and center usage.

### ***START at Your Own Pace***

As the developer of the center's business plan, you can work through START at your own pace. Complete as much or as little information in one session as you like. START keeps track of your progress so that the next time you log in to your business plan, you can continue where you left off. This is your private working document and no one can read or edit your information until you save and submit the plan to HUD. A companion *START Workbook and User Guide* has been developed to walk users through the information collection process prior to entering data in START. (The *START Workbook and User Guide* is available online at [www.NeighborhoodNetworks.org](http://www.NeighborhoodNetworks.org).)

or by calling the Neighborhood Networks Information Center toll-free at (888) 312-2743.) Gathering the necessary information in advance makes completing the START business plan much easier. START also performs all the necessary calculations and provides estimates to help you plan your program. Once you have completed START, your center will have a business plan to guide it through the developmental phase and begin operations.

START is composed of six main sections:

- **Beginning the START Process.** In this section, users define and fine-tune their center's mission, vision, and objectives; determine benefits to stakeholders; identify community resources; and gather demographics and other information.
- **Budgeting and Fundraising.** This section includes financial worksheets, center funding, a sources-of-funding worksheet, and fundraising goals.
- **Planning for Center Operations.** Planning for space requirements and equipment and accessibility, as well as developing a center operations timeline, is included in this section.
- **Organization and Management.** Here, users may develop a management timeline, organizational goals, and governance.
- **Program Planning.** With this step, users may capture the results of resident surveys; develop annual program goals, objectives, and activities; project potential outcomes; and create a program calendar.
- **Marketing and Outreach.** This section allows centers to record internal and external marketing plans, partnership information, and funding commitments, and provides an opportunity to revisit goals and objectives.

In addition to the six main sections, START also provides the opportunity to generate an annual assessment report. Goals and objectives are compared to actual results to determine a center's level of success. Assessments should be completed annually

because by doing so, you are helping keep the center on track, as well as providing an opportunity to revisit goals and objectives. Completed assessments are also requirements for advanced levels of center classification, which will be discussed later in this section.

## ***Helping Property Owners and Managers Track Their Return on Investment***

In addition to facilitating center staff activities, START also allows property owners and managers to track their investment returns and access and manipulate key information. By taking time to develop a comprehensive business plan, property owners and managers demonstrate to partners and potential investors that their Neighborhood Networks centers are serious ventures worth supporting. Through START, property owners and managers can review and evaluate a center's efficiency and effectiveness in serving residents and draw return-on-investment conclusions based on the following:

- **Organization and management.** A center's organizational and management structure influences its effectiveness and affects its ability to attract funding. Many funders want to see proof of a center's ability to manage funds and develop programs. START helps property owners develop a timeframe for establishing an accounting infrastructure and creating personnel policies and procedures; learn about management structure, including the roles of residents and boards of directors; and set goals, activities, and outcomes for the organization and management of the center.
- **Budgeting and fundraising.** Owners can use START to develop center startup and operational budgets for the first 3 years of operation. START can help them review potential funding sources; develop revenue budgets for startup and operation; and develop goals, activities, and outcomes for a fundraising plan.

- **Assessment and evaluation.** Center owners are encouraged to update, modify, and assess their business plans annually. START includes a baseline assessment and evaluation form that helps to determine how well a center is meeting residents' needs and its impact on residents and the surrounding community by comparing actual results with goals and objectives detailed in the business plan.

## ***Providing Easy Access to Information***

START provides an electronic method to input and retain a variety of data and narrative that can be easily retrieved and updated. This labor-saving feature allows property owners to make better use of their administrative and programmatic time. In addition, by serving as a repository for center data and narrative information, START helps establish and maintain various types of institutional knowledge—a valuable resource for owners and managers should center leadership change. With START, owners and managers have the following information at their fingertips:

- **Marketing and outreach.** Owners and managers can use START to develop an internal marketing plan to reach potential center users and an external marketing plan aimed at potential partners and the larger community. START can also be used to implement an action plan designed to reach those partners that can best help the center meet its goals.
- **Planning for center operations.** START can help determine space and equipment requirements and answer questions about security and accessibility. It provides information for development of a center operations timeframe.
- **Business plan report.** START uses all the data and information collected to generate a business plan report that can be saved, modified, or updated at any time and printed. The information in some of the business plan sections also can be used in proposals when applying for funding or donations from foundations and other sources.

## ***Advantages for HUD Neighborhood Networks Coordinators***

START can help HUD Neighborhood Networks Coordinators with business plan management and tracking, allowing them to comment on and approve center profiles and business plans online. START creates a variety of reports for HUD Neighborhood Networks Coordinators and enables them to retrieve information on centers nationwide by state, region, HUD field office, or fiscal year quickly and as often as necessary.

START also improves communication between HUD Neighborhood Networks Coordinators and Neighborhood Networks centers. Automatic e-mail notification lets HUD Neighborhood Networks Coordinators know when business plans have been submitted. It also lets centers know whether their HUD Neighborhood Networks Coordinator has approved their plan or if additional action is needed.

## ***Work Smart. Use START***

START helps Neighborhood Networks centers define and refine their mission and structure, thoroughly contemplate ideas, develop concrete goals and objectives, and work efficiently toward sustainability. Those that create and follow a START business plan report greater success than those that do not. Whether organized as a nonprofit or for-profit organization, a Neighborhood Networks center must develop income sources, balance revenues and expenditures, and produce results. START's labor-saving features make the process of collecting and tracking this data easier.

Additionally, when applying for 501(c)(3) tax-exempt status with the IRS, a center must submit a business plan. And many public and private funding sources require that an updated business plan accompany requests for funding. By using START to develop a comprehensive business plan, centers demonstrate to partners and potential funders that they are a serious venture worth supporting.

Another way to demonstrate that your center is worthy of support is through the Neighborhood Networks Center Classification system.

## Center Classification: Taking Your Center to the Next Level

Neighborhood Networks is a national initiative of hundreds of centers. These centers have a common goal—to deliver technology access and other resources to residents of Multifamily HUD FHA-insured and -assisted properties. However, no two centers are alike. And since they are in various stages of growth and development—from recent startups to more established entities—some experience more success than others.

### Three Classification Levels

The Neighborhood Networks Initiative developed the three-level system of classification—available through START—to categorize centers based on their level of development and achievement. This classification gives recognition to centers and their stakeholders at all levels of development, and provides centers with *models* of potential and possibility.

**Designated (Level 1)** center classification establishes minimum achievable standards for centers. This designation denotes that the center has the tools for creating effective programs and services to support the self-sufficiency of residents of Multifamily HUD FHA-insured and -assisted properties and the sustainability of the center.

#### Designated (Level 1) Requirements

- A HUD-approved START business plan.
- A letter from the center stating they are operational.
- At least one computer with Internet access.

**Certified (Level 2)** centers have achieved and exceeded Designated status and actively operate programs designed to support residents' self-sufficiency.

#### Certified (Level 2) Requirements

- To have achieved Designated status prior to application for Certified status.
- A HUD-approved business plan using START.
- To have been operational for 12 consecutive months.
- A HUD-accepted *Center Assessment and Evaluation* using START.

**Model (Level 3)** Multifamily Neighborhood Networks center classification is based on a combination of achievements of Designated and Certified standards and, additionally, achievement of mandatory Model standards. There are nine Model standards, seven of which are mandatory. Exhibit 1 provides an explanation of these nine standards and lists the documentation that is required for each. Model Multifamily Neighborhood Networks centers serve as centers of excellence for the entire Initiative.

#### Model (Level 3) Requirements

- Achievement of the Designated and Certified standards.
- Achievement of Model standards (see Model Standards chart).

These classification level requirements are also listed in the *Neighborhood Networks Center Classification Guide*, which is available online at [www.NeighborhoodNetworks.org](http://www.NeighborhoodNetworks.org).

### Benefits of Center Classification

Centers that achieve advanced levels of classification enjoy a variety of benefits:

- **Success.** The standards used for Designated, Certified, and Model status are based on review and analysis of factors that lead to center sustainability and success. By following the classification guidelines, centers are more likely to experience success in aiding residents and increasing the market value of the property where the center is located.

<b>Exhibit 1. Model Standards Chart</b>		
<b>Standard</b>	<b>Explanation</b>	<b>Documentation Required</b>
<b>Standard 1, Period of Operation, Mandatory.</b> The center has been operational for 3 years.	The center has been a Certified center for at least 2 years.	<ul style="list-style-type: none"> <li>• One HUD-approved business plan.</li> <li>• One updated START business plan.</li> <li>• Three HUD-accepted Assessment Reports.</li> </ul>
<b>Standard 2, Resident Involvement, Mandatory.</b> The center conducts resident surveys at least once every 3 years. The survey results are used to guide the choices of programs and services at the center.	Sufficient input from residents (the target population) is required to determine what programs and services would be valued and used by residents.	<ul style="list-style-type: none"> <li>• An initial resident survey was completed and data entered into START.</li> <li>• A follow-up resident survey was completed within 3 years and data from the follow-up survey was entered into START.</li> <li>• Listings of programs and services offered within the past 3 years.</li> </ul>
<b>Standard 3, Program Guidelines, Mandatory.</b> Training and other programs shall include written curriculum or program guidelines.	Programs and services offered should be guided by a written curriculum or program guidelines to ensure structure, organization, and outcomes. Programs and services providing adult workforce development should track and report the types of jobs obtained by participants. When afterschool programming is provided, parent and school input should be sought to assess student needs, grades, test scores, and progress.	<ul style="list-style-type: none"> <li>• A copy of curriculum or program guidelines for each program.</li> <li>• A written summary describing program outcomes.</li> </ul>
<b>Standard 4, Tracking, Evaluation, and Reporting, Mandatory.</b> The center has a system that tracks, evaluates, and reports the results of the center's program activities to improve program performance and outcomes and increase resident participation.	Systems are in place to track, evaluate, and report program outcomes; to determine whether outcomes meet expectations; whether improvement is needed; and to increase the participation of residents.	<ul style="list-style-type: none"> <li>• Description of the center's system for tracking, evaluating, and reporting on the center programs.</li> <li>• Description of how information collected is used to improve performance and outcomes and increase resident participation.</li> </ul>
<b>Standard 5, Partnerships, Mandatory.</b> The center is actively engaged with a minimum of two partner entities.	The center has active involvement with at least two partner entities. The center has entered into and maintains partnership agreements that specify roles, responsibilities, and services to be provided during a specific time frame.	<ul style="list-style-type: none"> <li>• Written partnership agreements specifying roles, responsibilities, and services to be provided.</li> </ul>
<b>Standard 6, Funding, Mandatory.</b> The center engages in fund development to increase financial sustainability.	The center uses a variety of fund development mechanisms to finance current and future operations. The center demonstrates the capacity to develop proposals to purchase equipment, operate center programs, and maintain staff. The center has submitted a minimum of three proposals in the past 3 years.	<ul style="list-style-type: none"> <li>• Samples of proposals submitted over the past 3 years.</li> <li>• Sample materials from other types of fundraising efforts.</li> </ul>

Exhibit 1. Model Standards Chart (continued)		
Standard	Explanation	Documentation Required
<p><b>Standard 7, Center Environment, Mandatory.</b> The center environment should include the following: (a) high-speed Internet access, (b) up-to-date and working equipment and operating systems, (c) accessible work space and equipment, (d) implemented security features, (e) operational for at least 30 hours weekly, and (f) attractive and clean physical facilities.</p>	<p>The center environment, both facilities and equipment, should reflect the dignity and respect afforded to the educational process. Residents and equipment should be secure. The center should operate for a sufficient number of hours each week to afford residents ample use of the facility.</p>	<ul style="list-style-type: none"> <li>• Operating statement that discusses items stated in the standard.</li> <li>• Interior and exterior photographs of the center.</li> </ul>
<p><b>Standard 8, 501 (c)(3), Optional.</b> The center has obtained 501 (c)(3) status or is aligned with a 501 (c)(3) organization.</p>	<p>501 (c)(3) status permits center to seek and receive grants, contracts, and tax-deductible donations, thereby increasing opportunities for sustainability.</p>	<ul style="list-style-type: none"> <li>• Copy of 501 (c)(3) letter of designation from IRS or copy of 501 (c)(3) letter of designation from IRS for organization with which center is aligned.</li> <li>• Letter of alignment from that organization (if applicable).</li> </ul>
<p><b>Standard 9, Governance, Optional.</b> A board of directors or similar body provides center governance.</p>	<p>A volunteer body representative of all stakeholders should guide center operations and the center's director. The board has regularly scheduled meetings.</p>	<ul style="list-style-type: none"> <li>• List of governance body members and their affiliations.</li> <li>• Copies of meeting minutes.</li> </ul>

- **Rewards.** Achievement of Designated, Certified, and Model standards can be a useful tool for center public relations, and be included in marketing materials, press releases, and other printed materials. Additionally, Multifamily Neighborhood Networks centers achieving Certified and Model status will be offered special incentives such as opportunities to be identified on the national Web site, chances to serve as pilot project sites, special recognition during Neighborhood Networks Week, and highlights in Neighborhood Networks publications. A Certified or Model center will also receive a plaque denoting its status.
- **Identity.** Classification sends a distinct message to the outside world—Neighborhood Networks is a national initiative of like-minded organizations

committed to the goal of empowering residents of FHA-insured and -assisted properties and the surrounding communities. This approach will garner increased benefits for Neighborhood Networks centers from external stakeholders inspired to partner with such a structured and effective initiative.

- **Recognition.** Classification will provide much-needed and well-deserved recognition at all levels to centers (and their involved stakeholders), particularly those centers that perform above the standard. Simultaneously, classification encourages centers by acknowledging their current accomplishments and presenting *models* of potential and possibility.