

SPIRIT IN BUSINESS

GUIDE FOR STARTING A COMMUNITY KITCHEN

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ONE WORLD EVERYBODY EATS

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INTRODUCTION

"One World Everybody Eats truly wants to help humanity. We believe that anybody who wants to do this type of work will be making a real difference and a significant contribution to the world in their lifetime. Setting up a community kitchen might feel to you like you're jumping off the rim of the Grand Canyon. I know that's how I felt when I first started and I was sure I would splat at the bottom. But now that I and others have done it, I suggest you take the leap. We are at the bottom looking up at you. Our experience can be your safety net. We've done it and it can work."

Denise Cerreta
Founder, One World Everybody Eats

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Overview

The need for a community kitchen lies less in the urgency for another food venue as for a place for people in a community to form a better relationship with each other through food. Plus, a most basic need for people is for them to know they have control over what and how they eat. One World Everybody Eats serves what we believe is the healthiest, most well-prepared food that we can. This, say our customers, is part of what makes it a place they want to share and return to again and again.

The other part is that One World Everybody Eats is a community table. All people from the community are invited to enjoy the quiches, salads, desserts, soups and entrees in an environment where people aren't seen in terms of any of the common definers; class, age, race, ethnicity, nationality, economic level, education, gender, orientation, lifestyle, politics, religion or ability. The intent of One World Everybody Eats speaks through its food. The people, looking for good food, feel the intent and help create the atmosphere. The atmosphere, in turn, becomes something other people want to recreate in their own cities and towns.

For every person who seeks information, there may be many more people who want it but for their own reasons, are unable to seek it. Because so many people have told us they want to establish their own community kitchens, we have to assume the true desire is much greater. So, we've developed this, our first guide for starting a community kitchen. The board of One World Everybody Eats is not interested in franchising or otherwise restricting the free flow of intent to help build community in this way. We ask only that the intent is honored, which is the forming of eating establishment that includes the following aspects:

- Operate in a no-prices, no-menu manner - This builds trust through personal responsibility
- Choose your own portions - This helps end food waste
- Serve organic food and anti-biotic and hormone-free meat and dairy - This promotes good health, supports organic farmers and helps recover the environment.
- Use volunteers and provide job training skills for them that want to move into other areas of the food industry - This is a hand up rather than a hand out.
- Pay employees a living wage - This is fair.

We are focused on continuing to set up our own community kitchens, but we encourage anyone with the desire to do the same. That is the reason for this guide. It is a collection of Denise and her staff's experience. It includes many "to do" ideas and is written in a conversational style. Subsequent references in this guide to One World Everybody Eats will be expressed as "OWEE."

1. Model

a. No Prices

This is one of the bedrocks upon which the concept is built and is crucial to our goal of zero waste in the food industry. By having people choose and pay for the amount of food they eat; allowing patrons to price their own meal, they usually eat everything on their plate. And no one has to feel they don't get enough to eat since they can always come back for more. This almost guarantees lower food waste. And, after making soup stock, we compost our scraps into our organic garden.

We also don't force people to overeat (too much on the plate) or waste food (getting things they don't want) which often happens in other restaurants that choose portions for their customers. In this way, people really do get the most for their money. We do suggest fair prices in a flier if customers feel stressed about pricing their own meal. And about that ... as this concept is spreading, more and more people are divided over whether it should be the responsibility of the customer to price their own meal. We believe that although there are institutions in the business of making decisions for you, ours is not one of them. Choices you make regarding your food, like your money, your time, your health, your relationships, and every other intensely personal choice, is none of our business.

But we still must meet a bottom line. And although OWEE is a humanitarian endeavor, we expect people to be accountable and responsible for their own actions. If the staff feels someone is abusing our concept, they are free to confront them in a KIND AND COMPASSIONATE manner and explain why such exploitation goes against the concept. Although we're a non profit, we buy our food and it would be emotionally hurtful to the staff to let some people take advantage of everyone.

b. No Menus

The no menu philosophy is also crucial for many reasons:

- It lets us eat with the seasons which we believe is healthier, as well as work with local farmers.
- It lets us buy produce in season at a reasonable cost and we don't have to participate in driving a "false market" for out of season produce.
- It lets cooks be constantly creative.
- It lets our customers share their inspired cooking and family ideas with us.
- Patrons come more frequently because they don't want to miss out on fabulous dishes. Thus, we have more regulars because of our no menu policy, and this is great for business.
- Our purveyors know that we create our dishes out of what we have so if they need to move certain things, they give us a great deal on special items they otherwise might lose.

But when we say "no menus," we don't mean "no planning." We have to determine what we can afford and what is in season before deciding what to prep for the following day. We may get a large number of "seconds" that we decide will be part of several types of foods over the following week. And we may need to schedule employees and volunteers with the skills to prepare and cook those foods so they'll be ready to serve within a certain time frame. So, although we don't provide printed menus, we do have an idea of what we'll be serving tomorrow. We just don't know what we're serving day after tomorrow.

c. Our Complimentary Staple Dishes

This, however, is something that we always serve and is an exception to the no-menu rule. Denise came up with this idea a while on a recent trip to India. She struggled for years on what to do with patrons that didn't pay and didn't want to volunteer. What she says she failed to realize is that often, there are circumstances that prevent people from being able to volunteer. Those circumstances may include not enough time due to working 2-3 jobs to make ends meet or having small children, or children with special needs, or physical or mental illness. As far as paying, some people might eat several times for free rationalizing that they will someday make up for their present situation. But if running a business or non-profit, this is not feasible for you - you need a constant flow of money to operate. So, now we offer a daily, self-serve complimentary staple dish - usually Indian traditional fare called "Dal and Rice." Along with a slice of our rich brown bread, it offers another option for people. Many people enjoy it. While some donate afterwards, some don't. But either way, Everybody Eats in community.

2. Function

a. Management

This isn't going to be a Business 101 talk. The assumption is that you are passionate enough about doing this that you're fully willing to learn as you go. But there are a few of essentials.

- First, you have to like people enough to want to see all types of them, up close and personal, everyday and associated with the very private issues of money and food.
- Secondly, you have to be altruistic enough to believe you can actually be part of several movements at once (organic, slow food, social entrepreneurship, return to simplicity, etc) while believing you are making a dent in the problem of food waste and world hunger through community building. It requires a pretty open mind and some serious commitment.
- Third, you have to be realistic enough with yourself to ask if this is something you are willing to go the distance for.

None of this is not to say business experience isn't valuable. It's just to also say it isn't always necessary. Our culture is dotted with examples of MBAs who have failed in business. Likewise, self-made entrepreneurs with common sense are more common that you would expect. As Einstein said, "Imagination is more important than intelligence." You'll need lots of imagination when dealing with these issues that'll exist whether you're a for profit or a non-profit.

1. **Mentoring**

You need to let everybody push their skills and the creativity envelope. That's part of what no-menus is all about; it energizes and empowers your people. Give them the basics, from State law regarding food handling, to appliance and tool use, to an introduction to herbs, spices, sauces and cooking techniques. Finally, make sure they like people and like the concept. Then, let them go and you'll be amazed at what they come up with. So will they, and so will your customers.

2. **Living Wage**

We believe in paying a living wage at OWEE. We start dishwashers at \$8.50/hr. Cooks make between \$10 and \$14/hr, which is a high average for Salt Lake City. A well paid, happy employee saves you money. We have very little turnover and therefore, we can keep a core staff making them, together, much more productive. Plus, it's the right thing to do.

3. **Scheduling**

By now, we have a good idea of what it takes to staff the kitchen, and this responsibility is up to managers such that everything and everybody is taken care of without going overboard on payroll. In the rush after some exceptionally good publicity, you might feel you need to staff up, but you can be overstaffed during the inevitable slow periods. Balance and flexibility are essential. A good mix of part time and full time staff is important to meet everyone's financial needs and to keep to your operating budget.

We are open from 11 a.m. until 9 p.m. seven days a week. We schedule so that one employee comes in at 7 a.m. to open by themselves. The chef, sous chef, and other leads work from 11 a.m. until 10 p.m. The closer comes in at 3 p.m. Dish shifts are from 9 a.m. until 2 p.m. and from 6 p.m. until close. No employee dishwasher is scheduled from 2 through 6 p.m. OWEE invites volunteers to show up during these hours. Both dishwashers also support the opener and closer. Keeping communication between shifts is very important. Be sure to have a single place where everyone knows to look for schedule or food changes. Try to keep the schedule both balanced and consistent. Fairness is key.

4. **Payroll and Forms**

One of the best things that you will ever do is to hire a payroll service. We really can't stress this enough. It saves time, headaches, financial problems, paperwork and disaster. The services vary slightly, but OWEE uses one that withholds all taxes including FICA. They also made the initial contract for us to Workman's Compensation.

You will also need to keep on hand W-4 and I-9 forms. The I-9 form is required by law to insure your employees are U.S. Citizens or hold a green card. It specifies combinations of identification that you must copy and keep in your records. The most common combination is driver's license and social security card. Stiff fines may result without proof of this documentation.

The W-4 form collects withholding information that your payroll service needs. Keep signed originals of both forms on hand for your records. At the end of the year, your payroll service will send you W-2 forms showing withholding from your employees based on the information on the W-4s. These, along with any other necessary permits, must be completed and filed before the employee is placed on the schedule. Don't let this fall between the cracks.

A payroll service will also have all of your records on file in the case of an audit or any other circumstances. Most services charge by the number of employees and most have a minimum charge of \$25 per pay period. OWEE uses Payroll Experts in Provo, Utah. Our 12 employees cost us \$50 monthly with bi-monthly pay periods.

5. Insurance & Benefit Plans

We consider liability insurance a necessity considering any accident on your premises that causes injury could end up costing you thousands of dollars. A slippery floor, a broken tooth or a reaction to something in your fare could cause the more litigious among your clients to take you to court. You need to be prepared for those possibilities.

We don't offer life insurance but are working toward being able to provide minimum health and dental coverage. This insurance can be prohibitively expensive but new hybrid, cafeteria plans and small business collectives are starting to bring the costs down. As far as retirement benefits, we are planning to eventually offer something. But we don't suggest even thinking about this until your third year of operation and with revenue above what the kitchen needs to survive. These priorities can get tricky because if you get top heavy, it'll distract from the work and that will show up in the food.

b. Employees

When Denise opened, she had no food experience but realized she'd be wise to make her first employee someone with 3-5 years experience in running a kitchen (including ordering), or at least the willingness to step up to the plate. She ran the operation for around 6 months until it turned its first corner. Then she hired her first employee, who is our current executive chef. He knew how to manage a kitchen and as Denise says, "It is well worth it to have someone with that kind of experience. It makes a world of difference."

Staff was hired afterwards. It is important to find people with good people skills or the desire to learn them fast. This is important because the staff cooks and serves the food from the kitchen counter. An interesting thing about our employees is that they get it. They get it that what they do is key to our success. Our customers get it too, so communication between staff and customers is clear, and to the point, whether praiseworthy or not. People know what they like, and what they like is a cohesive staff working together to make amazing food and for a greater good.

The staff likes it too because they aren't just cooking and serving. They are building community and they want to get it right. So, the working environment is collegial, professional and fun. The affection and respect our people have for each other is so palatable, our customers can taste it.

We've found that word of mouth, rather than using a professional service, is the best way to recruit. Your experience may be different. However, if you're bringing someone straight onto the staff, one thing we think of as a good idea is to have several people in on the interview process. More eyes and ears on a potential employee can spot problems early. Ask them to volunteer in the kitchen for a shift or two to get a feel for their abilities and character. Finally, make sure they understand the mission.

c. Volunteers

Our commitment has been to always provide a volunteer opportunity to anyone who wants one, especially if it is for a meal voucher. One of the nice things about our system is that all types of people volunteer for all types of reasons. Whatever the reason, treat all volunteers honorably. Also, when looking for full time workers, look first to your volunteer staff. You've had a chance to evaluate their performance and personality and know them better than someone off the street. This is one of the reasons why establishing a volunteer program early is very important. Not only does it help fulfill the mission of giving people a hand up as well as job training skills, but it also provides a pool of trained and reliable workers.

Occasionally you will run across those that want to eat and need a hand up but can't bring themselves to volunteer. We advise staff to be sensitive to this issue and try to engage them before having a confrontation that may lead to a negative experience.

Different states have different rules regarding who can work in the kitchen. Salt Lake City requires a food handler's permit for anyone on the food side of the operation. So even dishwashers and preppers must have a current food handler's permit.

Everybody who wants to volunteer should be encouraged to get a food handler's permit. However, there may be people who want to volunteer who don't want to work in the kitchen or shouldn't be allowed in the kitchen. For them, handing out fliers, folding laundry, working in the garden, doing minor maintenance or keeping the area around the kitchen and the building clean could work out for them. Denise accepts everything from prayer and meditation to help for local, organic farmers. Legitimate effort gets meal vouchers for all volunteers. When working with volunteers, set objectives, curriculum and a process for completion of the work.

OWEE uses volunteers in a way that will make our organization effective, efficient and able to expand. This is important to the success. Sustainability of the model means letting people know they are needed and that they are contributing to the vision, not receiving a hand out. We have a sign up sheet that helps organize volunteer dishwashing and kitchen help slots.

In the case of either volunteers or employees that show bad attitudes, bad intent, or poor learning ability, we suggest this be addressed quickly and openly to the individual. If they are unable or unwilling to work with us, they should be asked to leave. Utah is a right to fire, right to hire state but your state laws for hiring and firing may be different, require certain documentation, etc. Check you own locale. Like Faust, they may be forgiven for their actions, but are ultimately responsible for them. Negative energy poisons the atmosphere for everyone.

1. Educational Program

As you grow, you might want to develop an educational program that volunteers can participate in. OWEE trains dishwashers, cooks and prep cooks, and they can take this experience with them to get a job elsewhere if they choose. Several of our former workers have taken what they've learned with us and gone on to higher paying positions. Others can't think of working anywhere else. Working so closely with and for people, coupled with different types learning, and employing so many different methods of cooking, exotic recipes and unusual spices is priceless, anywhere.

d. Budget

There are no hard numbers here, in part, because we don't know what you have to work with or what you have in mind. Consider salary and number of employees, rent, utilities, food costs, equipment costs, furnishings, cleaning supplies, permits, upgrades and renovations, taxes, application fees, marketing costs and auto expenses, just to name a few. But in contrast to all this, we'd say take your time and give yourself at least a year to sit with the idea and accumulate equipment, expertise and resources you'll need to actually open. And remember that this type of business is about community, so start networking and asking for help. Tell people what you're doing while you're doing it. Let them see you walking your talk; scouting locations, getting your permits, finding equipment. Most people want to see people succeed at hard things because we all like everyday heroes. When you start this in earnest, help will come at unexpected times, in unexpected places and from unexpected people. That's part of the serendipity of this concept. Denise has said, "the money would come", and it did.

e. For-Profit, vs. Non-Profit

Denise ran One World Café as a for-profit establishment for more than 2 ½ years before filing for non-profit status. Initially, all she had was a business license for a DBA (Doing Business As). After operating a few months with her new model she organized the One World Café, LLC (Limited Liability Company) on the advice of her accountant. After receiving tax exemption, she changed the name to One World Everybody Eats.

The conventional purpose for a company or corporation is to make money usually by cutting costs in order to maximize profit. This is where Denise made a radical departure to social entrepreneurship. From the beginning her intentions were to eliminate world hunger and waste in the food industry - both of which are considered charitable purposes but not typical business purposes. She used a conventional business setting to conduct unconventional business purposes. At first, her intuition strongly guided her to be a for-profit business. The resulting experience:

- Helped her to create a successful, profitable business model
- Helped her to become a better business woman
- Made our business model more legitimate to the public
- Helped her learn the power of community

Later, her intuition told her that the time was right to pursue non-profit status. Again this was possible because her charitable purposes had not changed even though the means to accomplish them had. This required creating a non-profit corporation. A for-profit business is created either as a DBA (sole-proprietor), a partnership, or some form of company or a corporation.

1. Business Structure

If you want to conduct any kind of business you at least need to register a DBA. Otherwise your state will consider what you do as illegal. This is because almost all states derive their income from taxing business transactions so all businesses must be registered and licensed so that the tax can be collected.

The DBA is the simplest business form and generally only requires the filing of the business name and its address. However, it has the highest amount of risk for if the DBA is sued and you lose the court case, then all of your assets, including your bank accounts, retirement plans, house, car and even your possessions can be liquidated to pay for a judgment against you.

The process of creating the DBA is regulated through the appropriate state agency and usually in the state where the business is located. Each state has a Department of Commerce or State which helps owners establish their businesses. Many divisions allow online business registration through their website and offer step by step help free of charge.

In order to protect personal wealth, some choose to form a company or a corporation. They differ from a DBA in that a company is privately owned while a corporation issues stock to raise capital. Usually stock is sold in exchange for pieces of ownership in the corporation. When the value of the corporation rises, this is reflected in stock value and dividends are paid to the share holders. Companies, on the other hand, are usually small businesses and the state law limits the personal liability of the private owners. Hence they are commonly referred to as limited liability companies or LLCs.

To make it easier, you should become acquainted with the corporate law of your state. The laws of each state are written so that anyone can figure out what is and isn't legally doable. These codes are often available on the internet. Since the job of the division of corporations is to uphold the law, they will expect you (or your representative) to know it well enough to follow it in setting up your company or corporation.

2. What the Government requires ...

Companies and corporations typically require that a board of directors be established that is authorized to make decisions for the entity. A board of directors will also be required to adopt a set of by-laws that govern the actions of the board members. You will need to check to see if the by-laws need to also be filed with the division of corporations. A new company or corporation also has to file with the Internal Revenue Service (IRS) for an employee identification number (EIN) for tax purposes. And a new company or corporation also must register with the state tax division to pay state sales and state income tax. State income tax is usually referred to as franchise tax and the company or corporation is issued a state tax identity number that is separate from its EIN. A company or corporation is legally equivalent to an individual and therefore has to pay taxes both for income and also usually for sales transactions.

The act of creating the non-profit corporation also involves the filing of Articles of Incorporation with the state. The articles need to address the purposes of the non-profit and confirm that those purposes are of a tax exemptible nature as viewed by the IRS. In addition, you should be aware that the IRS looks for two key requirements of the articles of incorporation in judging if a corporation is capable of receiving an exemption.

The first is referred to as the organization requirement. This requirement states what the purpose of the corporation is and must contain language that limits the corporation to only charitable purposes. The IRS closely examines the purpose to ensure that there is no for-profit purpose. The second key requirement is the operated requirement. This means that the organization must be operated to further the exempt purposes specified. Thus, the IRS looks for language that indicates;

- The organization will not engage in individual political campaigns at any governmental level,
- Assets and earnings do not unjustly enrich the board members, officers or employees,
- The organization doesn't authorize the conduct of a trade or business, and
- Upon dissolution, the assets will be disbursed to other tax-exempt organizations.

It took 18 months for OWEE to get its 501(c)(3) exemption, partly because the concept was so unusual to the IRS that they scrutinized it for many additional months beyond their average approval timeline before granting it. Our 1023 form along with its addenda took the most effort. This is the form that the IRS requires, which lets you define your mission and distinguishes your non-profit from a for-profit. There are two related IRS documents that should be consulted while you tackle your 1023 form. The first is document I-1023, "Tax-Exempt Status for Your Organization" (Revised June 2006). The second is Publication 557 entitled "Status of Your Non-Profit Entity".

The IRS reviewer who is responsible for your application case will likely ask you to clarify parts of your 1023 form. But they should give you plenty of time to do so and you can ask for an extension from the reviewer if you need one. During the process, always be polite and respectful in tone to the IRS reviewer whether in writing or on the phone. It may be a long and occasionally frustrating process, but stay focused on the goal.

3. After Receiving your Non-Profit Status

If your exemption application is approved by the IRS, you will receive a letter granting your tax exempt status. Once you have your exempt letter, you will need to file a copy with the state division of corporations to prove to them that your corporation has its exemption and is a true non-profit entity. You'll also have to file a copy with your state tax division so you won't have to pay state income tax. And you'll need to consult with them for a sales tax exemption so that you don't have to pay taxes on supplies or equipment.

If you want to see our non-profit documents, we will send you copies by mail or email upon request. We also plan to place them at www.guidestar.org. Guidestar is a non-profit, industry recognized reference source for legitimate non-profit organizations.

Guidestar gives a thumbnail overview of individual non-profit organizations, their mission and its board members, as well as linking to any related documents they file such as their 1023, their financial statements and tax-exempt letter. If you decide to pursue a non-profit entity, consider registering it at Guidestar.

Also, if you decide to be a non-profit, you can actually operate as a non-profit while waiting for your 501(c)(3) status. Although you may feel like you are operating in limbo; not a tax paying business and not officially non-profit yet, you can proceed "as if." There is a risk that you take by doing this however, which is if you fail to achieve exemption, you will be responsible to pay taxes on the income and business transactions accumulated in the interim. Save taxes you would've paid just in case. But since OWEE has been granted its exemption, it may be possible for you as well.

In summary, there are many benefits to operating a community kitchen as a non-profit instead of as a for-profit. The most obvious benefit is that you don't pay income or sales tax. This means what money would have been paid as taxes can be used to further your exempt purposes. It also has an effect of eliminating a hidden cost since most people will price their meals without adding in extra for the sales tax. It also means that the money they give is a donation. As a non-profit you can accept donations from others including for-profit businesses that can be money, property, even organic food, restaurant equipment and supplies. If someone donates without receiving compensation, then that donation is tax deductible for themselves as an individual donor.

4. Taxes and Supplemental Income

It should also be noted however, that we are not saying that a non-profit corporation pays no taxes, or files no financial reports with the IRS. If you have paid employees, your non-profit corporation must deduct from their pay social security, and state and federal income taxes; all of which are a part of the payroll cost. A payroll service is important here.

Also the non-profit corporation has to pay taxes on what is known as Unrelated Business Income (UBI). Occasionally, the non-profit may generate an income from an activity that is not directly related to fulfilling its exempt purposes. For example, your community kitchen may have the opportunity to provide catering services to a business event or fund raising activity of another non-profit. Since such an opportunity provides for exposure of the kitchen to others who may become interested in getting involved or donating, your organization has a legal right to participate. But since catering is typically a commercial trade or business activity, it cannot be considered as an exempt purpose. Thus the money from the catering job must be reported to the IRS as UBI, and if the amount is large enough, income tax must be paid.

UBI must be small in comparison to donations or you could lose your exempt status. Loss of exemption carries the risk of having to pay taxes on all income for previous years plus penalties and interest depending on circumstances. If you receive more than \$25,000 a year, your non-profit corporation must file a Form 990 with the IRS and a 990-T if there is any UBI. These are like 1040 tax forms for individuals, but report the financial details of an organization so that the IRS can decide if there are any improper activities like conflicts of interest.

5. A Different Kind of Non-Profit

It is very important to stress here that non-profits should really figure out how to be sustainable. Otherwise, you will always be dependent on donations from grants or fundraisers and this will take away from your main focus of eliminating hunger, community building or whatever your goals are. Indeed many conventional non-profits are mostly funded by individual contributions. The problem is as the economy fluctuates, so may donations. Worthy charitable organizations have gone under for failure to achieve true self-sustainability.

But there are two methods for attaining self-sustainability that we think are worth mentioning. First, a non-profit corporation can own other businesses as subsidiaries. The net income from the for-profit business is paid to the non-profit as a charitable contribution. Such an arrangement does not extinguish the tax exemption of the non-profit because the commercial activity is conducted by a separate entity. If a non-profit has a substantial commercial purpose in addition to its other exempt purposes, it will lose its exemption from the IRS. The details of how to accomplish this are extensive and cannot be detailed here. If your board is interested, it should consult a non-profit corporate tax attorney or search for guides on the subject.

Secondly, Section 513 of the Internal Revenue Code stipulates exemptions to UBI as “any trade or business in which substantially all of the work is in carrying on such trade or business is performed for the organization without compensation” or “any trade or business which consists of selling merchandise, substantially all of which has been received by the organization as gifts or contributions”. Thus your organization can operate a thrift store with volunteers and take items as donations for later sale. In Utah, Deseret Industries does this, as does the Salvation Army Thrift Store. All of the money from such activity is exempt from UBI tax and can be used for furthering your exempt purposes.

Whether you choose to operate a community kitchen as a for-profit or a non-profit venture there will be two sets of business licenses that you will need. The first is whatever Health Department certificates the local government requires. These may include licenses for the business and various kinds of permits like a food handlers permit. The second may be an occupancy license from the Fire Department or other municipal agency.

3. Preparation

a. Location

We feel that it is important to be in a location where all members of your community can easily reach you. We are located in a spot that has a college in one direction, the downtown in another direction, an affluent neighborhood in another and one of the city's poorest neighborhoods in another. In other words, we were fortunate to be in a location that all types of people pass through. Look for those neighborhoods that are at the crossroads of eclectic, hip or up and coming, and business-oriented, without being too pricey.

In our future spaces, we will search for such crossroads because we've found that it takes every economic class to make this work. Also, and in some cases, it might be better to avoid conventional restaurant setups. Our unique environment lends itself to conversation among patrons, i.e., different dining areas vs. big, open spaces full of tables, etc. Keep efficiency of space and the proper placement of equipment for efficient movement in the front of your mind if you decide to renovate.

Before you sign any lease, do these things:

- Canvas the area to see what is already there. If there are any food places, how are they doing? A neighborhood with other restaurants is a good sign. It means they have located themselves where they are because they've identified and attracted sustaining traffic.
- Visit the planning and zoning office and have them pull up all of the information on your considered location to see if it's zoned for a food establishment. If so, can it be a sit-down, and if not, what percentage has to be "to go?" Can you or do you have outdoor seating and how much will that cost?
- Have city and Health Department representatives do a site inspection to tell you what needs to be done before you buy or sign a lease. Let them tell you if your idea would be feasible in that location. If you want a drive thru, ask about the possibility during that meeting with the city.
- Do you need any handicap upgrades? If so, get estimates on the costs. Will the landlord cover these?
- Finally, it may be advantageous to move into a place that has already been a cafe since this means you may be "grand fathered" into laws now in place, thus saving you thousands of dollars in upgrades. Denise was in a building built in 1957 that had not been a cafe and had to bring it up to 2003 building codes. Most of the money went to handicap upgrades and cost nearly \$10,000.

b. Landlord

It's important to find a sympathetic landlord that understands your social mission and is supportive of your goals. The landlord should believe in you and your work and be someone who might even be a bit of a humanitarian themselves.

Some landlords will let you work and get set up for a month or two before they start charging rent. Remember, you will probably be upgrading their property. You might ask them to pay for any paint, lighting, bathroom fixtures or at least split the cost while you provide the labor.

Denise's original landlord, the late Jim Neville, bought all the paint, lighting fixtures and tile. She picked it out and paid to have it installed. She also did most of the work, saving a lot in labor costs. Mr. Neville allowed her to not pay rent for three months until the cafe was operating.

Because the idea is so different, some landlords may have concerns that you'll go under because they fear it won't work. Or, that you'll draw nothing but "homeless" people, thus enflaming the anger of the neighborhood for bringing down property values or increasing crime.

These things haven't happened with us and we believe they won't happen with you. You will actually receive a lot of good initial press which will help you grow. More about that later. If your landlord has such concerns, please have them contact OWEE, and we would be glad to share our success stories with them. Our model has thus far proven successful in terms of profit generation and community building.

Finally, whatever agreement you and your landlord come to, try hard to get it in writing.

c. Size

If this is your first endeavor, look for a small space. We recommend between 800 and 1300 square feet. Depending on your circumstances, look at getting a transitional area that still has all the economic balance we talked about before. Don't get buried in high rents. We know this can vary from city to city; large metropolitan areas can be anomalies. But look for a space around \$1,000 a month or less. It's not impossible to achieve. Seek out people, get connected and make deals.

d. Equipment

Buying the right types and right amount of equipment is among the most important things you will do. Here is a list of equipment Denise started out with in 2002. Most of it was used or second hand. Some of it was donated. A few pieces were purchased new.

- Dishes
- Coffee Mugs
- Serving Bowls
- Rice Cooker
- Convection Oven, or
- Pizza Oven
- Double Burner
- Ice Machine (these can be rented).
- Refrigeration
- 2 Soup Pots
- Triple Sink
- Hand Sink
- Mop Sink
- Prep Tables
- Knives (good kitchen set, most chefs have their own)
- Soup Bowls
- Soup Ladles
- Silverware
- Miscellaneous zests, graters and whisks
- Food Processor
- Coffee Maker

- Insulated Coffee Pump Pot
- Coffee Grinder
- Hand Mixer or Table Mixer
- Stainless Steel Pots [durable and inexpensive]
- Cookie Sheets
- Baking Dishes
- Pie and Quiche Pans

Before buying too many appliances, make sure there is enough electrical service in your planned location to run them as well as your lights and fans. Consult an electrician about your own special needs before leasing your space. All sinks, metal racks and counter-tops, as well as refrigerators, ice machines and other appliances must be National Sanitation Foundation rated, and will be identified by a small sticker on the back of the equipment which will read "NSF". Older electrical equipment, like cookers, electric burners, and other appliances, may only have the Underwriter's Laboratory label on it and will read "UL."

When you get to a point near opening, insure all equipment has been thoroughly cleaned and tested before your inspector arrives. In the future, we may have donated restaurant equipment for sale from our One World "Treasure Box" at a reasonable price. When looking for pieces with which to equip your kitchen, post lists for family, friends and co-workers at church, at work, at the gym and on the front of your new location, etc. For some pieces, you may have to look at some other possibilities. They include:

- Craig's list
- Freecycle.org
- Used restaurant equipment stores
- Restaurant auctions
- Asking other cafe owners if they have any equipment they don't use anymore. In other words, beat the street. Most small businesses have equipment they don't use anymore and will sell it for cheap. It might be old, but if it works and passes inspection, it doesn't have to be new.
- If there is a local business you know has recently closed, try to contact the owner. They might make a package deal with you on a payment plan.

All facilities will need (a) a triple sink (at proper height) large enough to submerge your large cookware, (b) a hand sink (the bathroom sink doesn't count), and (c) a mop sink somewhere on the premises. And, before buying any used equipment, check its price in equipment catalogs and familiarize yourself with its costs so you know if you're getting a good deal.

Buy equipment when it comes up at a good price throughout your planning year. Although appliances may be used, make sure they are of good quality and meet temperature requirements for county or state health departments. Test them on-site before you walk away with them. That means remember to bring thermometers, extension cords and possibly a multimeter.

Shop at Goodwill, garage sales and moving sales for small things like dishes, silverware, kitchen tools, coffee mugs, etc. You should be able to pick these up for almost nothing. Ask friends for extra or odd plates. Nothing at our community kitchen matches and many call it charming. The advantage of this is when a piece breaks, there's no anxiety over messing up a set of something or seeing money wasted. And as far as things breaking, "when" not "if" something breaks is a general rule, so don't invest a lot of money in breakables but budget for big stuff repairs.

e. Kitchen Design/Layout

The open design of your kitchen is crucial. We feel that one of the reasons why the model works is that the people who make the food serve the food. When you enter OWEE, you actually walk into our small kitchen and are greeted by the cooks. There should be no barrier walls in your kitchen and nothing to block you and your staff from your customers. The prep should also be done in this area.

The dishwashing should be done in this open area as well because we also believe it is important for the dishwasher to be seen. It is one of the most important positions we have and doesn't deserve to be hidden in a back room somewhere.

4. Consumables Related

a. Food Sources

We feel that organic food is essential to our success and to our vision of good, healthy food for everyone to eat. In Salt Lake, we use Albert's Organics and United Natural Foods, both of which have national distribution. We have found they work best for us although there are smaller organic distributors in some of the larger cities that you might want to look into, such as Green Goodness in Chicago. We do plan to go there eventually and are considering using use them. In Salt Lake, we also use local dairy, beef and fish purveyors.

We also support our local organic farmers because we feel it is essential to establish relationships with them. We feel it is also better, in terms of health and sustainability, to eat locally. The Salt Lake area growing season is short, but our farmers utilize it fully.

There are a few months out of the year in the height of the season where we don't place a produce order from our national distributors because we are throwing more support to local farmers. The best way to support them is to buy their foodstuffs, as well as advertise that you buy their foodstuffs. Offer employees and volunteers the opportunity to participate in Community Supported Agriculture (CSA) and help organic farmers during planting and harvest seasons. If the farmer is willing to work out a trade; let you work for foodstuffs, all the better. But in general, don't do it with any expectations. Do it because you want to.

We also are big on "seconds" - fruits or vegetables that are not in perfect condition but that we buy at a fair and further reduced wholesale price from our local farmers. It becomes a win-win situation since that food usually goes to waste and the farmer can't sell it. You might also partner with a local organic farmer and have them grow things exclusively for you.

b. Distributors

It's best to contact your organic distributors at least one month before opening since there are application forms and logistics that need to be worked out. You may need someone to personally guarantee your application if you don't have any established credit, so start thinking of a good friend or family member who might do that.

That leads to another important point. Try to put all of your purchases on a C.O.D. type system. Instead of paying cash, give the driver a check or send it by mail after the delivery. Do not go 30 NET, which means you have 30 days before you have to pay for your order. You can get in a lot of trouble that way. Ask for 10 day NET and pay it right away. If you mail the check, it will probably take a few days before it gets to your supplier and clears your account. If you can't afford your food, figure out something else - don't get buried in produce bills. Perhaps you can have a few vegetarian days, or offer a smaller selection, to save money at the start.

Also, most companies demand a \$500 minimum order which is sometimes hard for new businesses to make. Look for other organic restaurants and cafes in your area and try ordering together. You might have to pick your food up at their place but until you can place larger orders, this is a good solution and builds relationships.

If you achieve non-profit status, check with local organic grocers to see if you can pick up any throw aways, which are usually in good shape. This is perfectly good food that just isn't cosmetically acceptable for display. It can help save a little on your bottom line and offset some of the "hand up" volunteer meals you will be giving out. Check with Whole Foods, but don't forget majors like Albertsons, Piggly Wiggly or the like for your part of the country.

c. Gardens

Gardens are a must for OWEE locations. This is a major component of community outreach/building/nurturing and connecting people to food. Look for people who are willing to donate the use of unused land, as well as people willing to donate their time to work it. This too will help build relationships. Consider growing something that isn't normally available, such as different varieties of herbs and salad greens.

Although gardens may not significantly contribute to reducing your food budget, they are valuable because they help supplement fresh goods during the summer as well as help you store goods for freezing later in the year. They can also supply volunteer positions. Finally, if you can't get donated land, consider a pot garden for herbs and spices. It should be able to grow enough of those for your use. And a pot garden can be located almost anywhere.

d. Drinks

In a regular restaurant, drinks are a huge profit maker. We've found in our unusual set up that it is the exact opposite. Denise used to have gourmet and chai teas and organic orange juice along with the filtered water and local organic coffee we now serve.

We've found that when people price their own meal, they don't separate out the drink in their mind. They put one lump price on everything and tend to include the drink for free in their estimate. She also used to make her quiches with pure, whipping cream. She now uses a combination of cream and milk.

By cutting out the orange juice, chai tea and expensive, organic teas, as well as part of the heavy whipping cream, she saved \$18,000 a year. Denise says she doesn't even know where she was getting the extra money to pay for this. Now we ask people to donate boxes or partial boxes of tea and just serve coffee and filtered water. Patrons are also welcome to bring their own non-alcoholic beverages. This has saved a lot of money.

e. Food Waste

At the end of the day, after serving upwards of 150 people, we can fit all of our food waste in half of a five gallon bucket, and that ends up in our compost bin. Another big part of the concept is the ending food waste part of it all. We encourage people to only take what they want. That helps them decide to eat only what they take. It really works.

5. Ready, Set ... Go

a. Before Opening

When you're starting your first food venture, it's normal to underestimate the amount of time it will take before you are ready to open to the public. But, you're ready when you're ready and we suggest not stressing about an opening date. You will have many inspections with the city and health department to conduct, and lots of corrections to make - not to mention the permits to pull for any construction, plumbing or electrical work before that work can begin. And there may be plans to submit to the city before the permit can be issued. Speaking of plans, you may be able to draw your own to scale. Denise did it and the City of Salt Lake accepted them and this could save you money. When you think you are "two weeks away" from opening, you'll probably really be two months away. Try to enjoy the process since you can't force the timing.

When you're really close, we would suggest having an open-door. As the curious in your community walk in, you can explain your intentions and let them start spreading the excitement by word of mouth before you open. People like to help and you may be surprised at how many volunteers you get. Some restaurateurs also prepare samples of what they will be serving to give people an idea of what's coming.

b. After Opening

1. Getting the Word Out

A large part of your success will depend on how people find out about you. Word of mouth is still the gold standard for success, and is essentially those people who know of you and like you, and who convincingly and compellingly tell others about you. But at the start, word of mouth will be sparse because few will know you exist. So, you have to give your new baby a kickstart into the community and you'll do it with these three basic pillars of marketing; Advertising, Promotion and Publicity.

a. *Advertising* is what you pay for. OWEE does very little advertising because it's expensive. If you do decide to advertise, figure out where your customers are, or which customers you want to reach. Then, tailor your advertising to that group. Targeting saves you money. But, we really recommend two other methods when you're first starting up.

b. *Publicity* is different, in part because publicity is free. Once your no-prices, no-menu establishment opens its doors, you are almost certain to attract the media. And, since by then, there may be a handful more OWEE-style kitchens open around the country, you will already be considered legitimate rather than a fluke from being the first or second. But that doesn't mean the idea will be old-hat or unattractive. The idea that a business is trusting people to pay will be revolutionary until people stop using money, so don't worry. You will attract lots of attention. You should understand, however, that publicity insures an initial rush of customers and that's it. It's your job to turn those new visitors into permanent customers and cheerleaders. And that will happen through your atmosphere, your food and your connection with the community.

Consider alerting the media of what you're doing and let them spread the news for you. But, when you first open, especially if this is your first cafe, don't contact the press before you have been open long enough to get most of the kinks out. You don't want people to come for the first time and experience chaos. Negative word of mouth travels as fast or faster than positive word of mouth!

One thing about publicity, we have found that often, people will show up with cameras and want to talk with staff about stories they want to write or school projects they are developing. This is fine as long as someone from the staff notifies upper management that these people were or are on-site.

It is the responsibility of all staff to ask media to identify themselves as such and get a business card or contact information. This is because cheerleaders and critics can come through the same door and the board or owner needs to be aware of everything both groups may disseminate. Since publicity is free, you have no control over what may end up for public media consumption. But you at least need to be aware that something is coming.

And, at the very least, you will need a website. OWEE currently uses Network Solutions, which is a turn-key service that, for about \$140.00 a year, gives you five, easily customizable web pages, an email address, the option to block spam and hide some of your personal information, and a number of free tools that can be very valuable. Whenever we are featured by the media, our webmaster monitors a free tool that shows how many visitors came to the site.

This helps tell how promotional efforts drove traffic to the website, which in turn, drives traffic to the kitchen. In addition, you may want to consider other tools such as podcasts, mashups, forums and others. And, don't ignore services like Friendster, Facebook and YouTube. You can put slideshows, videos and profiles of your employees and your establishment on these social networks.

There may be several local, monthly or weekly free magazines that might trade meals for advertising. Look for them. Again, we don't suggest radio or TV unless it's free. But if you are a non-profit, it is. You can make a Public Service Announcement (PSA) that is :15 or :30 seconds long and send it to the broadcast media. They'll play PSAs for non-profits as part of their obligation to serve the public interest and for their use of the public airwaves. But again, this means making good contacts in the local community. A friend of OWEE filmed and edited a PSA for us. Another young woman provided the voiceover and a musician friend donated the music. Something like that can happen for you too!

Finally, don't forget newspapers. Many newspapers, as well as the communities they serve, run online community calendars and bulletin boards. As a non-profit, you can post your opening or your events for free on those as another way to get news about your endeavor out to the public.

c. *Promotion* can attract publicity and there are several kinds. By partnering with another community organization with a kindred mission, "cross-marketing" helps you double the power of the effect you both are having on the community and increase the chances that the media will be attracted. As a single entity, OWEE also involves itself in as many efforts as it has the time and people to support. Any participation in programs associated with gardening, cooking or feeding the hungry adds to your integrity, builds community trust and helps get the name out, and that's a good thing. Salt Lake has a Farmer's Market from May through October, as well as a "Taste of Salt Lake" every fall. We have yet to get involved in these because of the logistics involved in running a portable kitchen, but we're still thinking about it. All of these can be beneficial.

But we would only caution you to not get involved in too many outside endeavors at the same time. You may find many people asking for your help to promote their projects and it can overstretch you. Pick what you give time and resources to carefully and don't be afraid to say no. Again, balance and harmony are important.

2. Community

One of the most positive side effects of OWEE has been the overwhelming sense of community that the idea has created. So many people want to believe in a better world and want to be part of something bigger than themselves.

So many, in fact, that we developed a "Wish List" that we post at the kitchen and on the website. We put everything on it from paper products to plane tickets - whatever we need. We ask for help if we need it and our patrons always seem willing to give it. This also lends itself to people getting to know each other through their talents and passions. It's funny that some people have extra money, some have extra property, some have skills, some have good noses for great stuff. We value everything that we get. Our unique, seat yourself and casual dining areas brings people together, which in turn, generates synergy.

3. Security

Because the model is so free form, because it attracts so many different types of people, and because there have been isolated instances of abuse, some have concluded that OWEE is more prone to disturbances and defrauding than other establishments. Others have suggested that, to stem these possibilities, cameras and other overt measures be used at OWEE. We rarely suffer disturbances of any kind and so we don't use them at present because we think not having them helps people feel relaxed and comforted. Again, we have basic faith in the model and the people who will explore it. But this doesn't mean we are naive and without the means or the will to deal with people who would exploit it. Each manager must decide what tools they need to legally avert or bring to a quick conclusion any incident that threatens customers, employees or the kitchen. Other general security considerations should include:

- When counting and depositing money at the end of the night, there should always be two employees present. We count money in a closed office and keep a record of names and amounts. Never count your money in plain view. Two people should make the night drop.
- If you have separate dining rooms with closable doors, employees should periodically pop in to wipe down tables to insure rooms are being properly used by customers.
- Pay particular attention to outside storage, poorly lit or isolated areas, or normally unattended accesses to the building. When choosing a space, consider asking the local police to do a security evaluation to identify potential problems.

Conclusion

This guide is about doing something you believe in. It is very optimistic but not pollyannaish. As of this writing, nearly 100 people nationwide have shown enough interest in what OWEE is doing to ask us to show them how to do it. Our communications director says that for every one person interested enough to ask, at least another seven to eleven people are interested but for some reason, haven't had the chance to. In January 2007, Time Magazine featured OWEE and created a category for OWEE-type eateries called "Robin Hood" restaurants. So, now that the culture has named us and claimed us, we think the concept will only grow from here.

If you need help, believe that Denise and the board, as well as the staff, are ready to share what they've learned to help you succeed. Now that you've reviewed our manual, if you feel you have the passion to end world hunger and make a huge difference in your community, and if you feel you have the stamina, commitment and ingenuity to pull all of this together, then this project may very well be for you. We would like to help you fulfill your dream. We hope to hear from and meet you in the future.

Your spirit can flourish in business if you give it the chance. Your comments, whether ideas, praise or criticisms, are welcome. You can reach us through our website, www.oneworldeverybodyeats.org, or call us at 801-519-2002 or email us at community@oneworldeverybodyeats.org.

***THE INFORMATION IN THIS GUIDE IS BASED ON THE EXPERIENCE OF THE STAFF AND BOARD OF ONE WORLD EVERYBODY EATS AND SHOULD NOT BE CONSIDERED A SUBSTITUTION FOR QUALIFIED LEGAL OR FINANCIAL COUNSEL.**