



Creating Consensus on Vision and Strategy

**“CRAYONS TO CLASSROOMS”
STRATEGIC BUSINESS AND OPERATING
FEASIBILITY STUDY**

JULY 23, 2007

**PREPARED BY:
FREE STORE STEERING COMMITTEE AND
DAVID RAMEY, CONSULTANT**

CRAYONS TO CLASSROOMS

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. Case Statement Summary.....	3
II. Proposed Vision and Mission	16
III. Strategic Objectives.....	17
IV. Strategies	18
V. Performance Measures of Success.....	21
VI. Facility Requirements and Possible Locations	22
VII. Product/Inventory Structure	25
VIII. Partnerships and Collaborators	30
IX. Marketing Requirements	33
X. Governance Structure and Proposed Board Members.....	36
XI. Staffing Structure.....	44
XII. Funding Partnership Model	48
XIII. Five-Year Financial Forecast.....	50

I. CASE STATEMENT SUMMARY:

A. Overview:

The Dayton Foundation, the Mathile Family Foundation, and the Kids In Need Foundation have a common interest in exploring the potential of a Dayton-based “Crayons to Classrooms”. These foundation partners have investigated developing the concept of offering free school supplies in a retail store environment to teachers in the Dayton region who serve students from low income families. A frequently-benchmarked “Free Store for Teachers” is “Crayons to Computers” in Cincinnati, Ohio.

The Kids In Need Foundation is the charitable arm of SHOPA, the Industry Association of School Suppliers which is based in Dayton, Ohio. The Kids In Need Foundation supports a network of approximately 23 out of 38 “Free Stores for Teachers” throughout the United States through its charitable giving. Some of these stores are operated as independent 501(c)(3) not-for-profit organizations. Others have sponsored affiliations, such as World Vision or Second Harvest.

Parallel to the “Free Store” effort, the Kids In Need Foundation has organized a coalition of corporate foundations and sponsors who have worked together on a “Dayton School Box Program” to distribute over 10,000 student supply kits for students and families in Dayton Public Schools. These partners include:

- **Lexis-Nexis**
- **L. M. Berry Corporation**
- **IAMS Corporation**
- **Miller-Valentine**
- **Mead Westvaco**
- **Dayton Area Chamber of Commerce**
- **Standard Register**
- **Vectren**
- **Dayton Public Schools**

These foundation partners, including The Dayton Foundation, the Mathile Family Foundation, and the Kids In Need Foundation seek to explore the potential with a coalition of funding partners through a **Dayton “Crayons to Classrooms” Strategic Business and Operating Feasibility Study**. Strategic Leadership Associates (hereinafter known as SLA) has supported them in developing a Strategic Business and Operating Feasibility Study assessing the potential for this program in the Dayton region.

A Steering Committee has been formed representing potential sponsoring and participating organizations in the Dayton “Crayons to Classrooms”. The following volunteers have agreed to serve on a Steering Committee to explore the feasibility of “Crayons to Classrooms” in Dayton. Steering Committee members met on October 23, November 29, and December 20, 2006 to develop the top level strategic direction for “Crayons to Classrooms”. The Steering Committee expanded during the feasibility phase to include:

Matt Arntz, Retail Director
Goodwill/Easter Seals Miami Valley
1511 Kuntz Road
Dayton, OH 45404-1297
(937) 461-4800, Ext. 503
m.arntz@goodwilleastersealsmv.org

Toni Bankston, Director
Marketing & Communications
Dayton Area Chamber of Commerce
1 Chamber Plaza
Dayton, OH 45402-2403
(937) 228-6256
tbankston@dacc.org

Brad Cates
Vice President, Marketing
Standard Register
600 Albany Street
Dayton, OH 45408
(937) 221-1583
brad.cates@standardregister.com

David Clapper, Director of
Facilities and Security
Standard Register
600 Albany Street
Dayton, OH 45408
(937) 221-3300
David.clapper@standardregister.com

Lance W. Detrick
Vice President
Goodwill Easter Seals Miami Valley
1511 Kuntz Road
Dayton, OH 45404-1297
(937) 461-4800, Ext. 501
l.detrick@goodwilleastersealsmv.org

Selene Edmunds
Director, LexisNexis Cares
LexisNexis
9443 Springboro Pike
Miamisburg, OH 45342
(937) 865-7202
Selene.edmunds@lexisnexis.com

Anthony Gilkison
New Page Corporation
Courthouse Plaza NE
11th Floor
Dayton, OH 45463
(937) 242-9096
alg@newpagecorp.com

Charlene Goeglein
Director, HR Services
Mead WestVaco Corporation
Courthouse Plaza Northeast
Dayton, OH 45463
(937) 495-3653
Crg4@meadwestvaco.com

Michael Greitzer
Partner
Miller Valentine Group
4000 Miller Valentine Court
Dayton, OH 45439
(937) 293-0900
(937) 299-1564 (fax)
Michael.greitzer@mvg.com

Lynda Hoffman
Community Affairs Manager
Vectren
40 North Main Street, Suite 210
Dayton, OH 45423
(937) 512-9502
(937) 313-4198 (cell)
(937) 512-9511 (fax)
lkhoffman@vectren.com

Kippy Ungerleider King
Program Director
Mathile Family Foundation
P. O. Box 13615
Dayton, OH 45413
(937) 264-4609
(937) 264-4805 (fax)
kippy.king@cymi.com

Amy Luttrell, President
Goodwill Industries of Dayton
1511 Kuntz Road
Dayton, OH 45404-1297
(937) 461-4805
a.luttrell@goodwilldayton.org

Scott McGohan
McGohan Brabender
3931 South Dixie Drive
Dayton, OH 45439
(937) 293-1600
psmcgohan@mcgohanbrabender.com

Jill Moberley
Dayton Public Schools
115 S. Ludlow Street
Dayton, OH 45402-1812
(937) 542-3052
jmoberle@dps.k12.oh.us

Shelley Outlaw
Community Relations Manager
LexisNexis
9443 Springboro Pike
Miamisburg, OH 45342
(937) 865-7556
(937) 847-3097 (fax)
shelley.outlaw@lexisnexis.com

Mike Parks, President
The Dayton Foundation
500 Kettering Tower
Dayton, OH 45423
(937) 225-9977
(937) 222-0636
mparks@daytonfoundation.org

Heidi Picinich
Community Relations
The Berry Company
3170 Kettering Blvd
Dayton, OH 45439
(937) 296-2333
Heidi.picinich@lmberry.com

Cathy Ponitz
Director, Community Relations
Executive Director, Care Source
Foundation
One Dayton Centre
Dayton, OH 45402
(937) 531-2808
cathy.ponitz@csmg-online.com

David Ramey
Strategic Leadership Associates
(Facilitator/Consultant)
843 Factory Road
Dayton, OH 45434-6134
(937) 429-9445
(937) 429-9744 (fax)
sla@strategicleadership.com

Steve Rubenstein
SHOPA Kids in Need Foundation
3131 Elbee Road
Dayton, OH 45439
(937) 297-2250
(513) 260-0385 (cell)
(937) 297-2254 (fax)
stever@shopa.org

Bonnie Smith
Program Director
Parents Advancing Choice in Education
(PACE)
1315 North Main Street
Dayton, OH 45405
(937) 228-7223, Ext. 13
bonniesmith@pacedayton.org

Barbara Stonerock
The Dayton Foundation
500 Kettering Tower
Dayton, OH 45423
(937) 222-0410
bstonerock@daytonfoundation.org

Tammy Vaughn
Four C for Children
1320 E 5th Street
Dayton, OH 45402
937-220-9660 x6101
tvaughn@childrenshungeralliance.org

Jeff Wellens
Group Vice President – Finance
National Markets Organization
Harte-Hanks
2950 Robertson Avenue
Cincinnati, OH 45209-1266
(513) 458-7784 (office)
(214) 668-8652 (cell)
jeffrey_wellens@harte-hanks.com

Phillip D. Wenzell
Director of International
Consumer and Office Products
Mead WestVaco Corporation
Courthouse Plaza Northeast
Dayton, OH 45463
(937) 495-3054
(937) 830-1030 (cell)
(937) 223-3912 (fax)
pdw2@meadwestvaco.com

Amy Wiedeman
Montgomery County Administrative
Services
451 West Third Street, P. O. Box 972
Dayton, OH 45422-1326
(937) 225-6387
(937) 496-7205 (fax)
wiedemana@mcoho.org

Over the next several months, between October 2006 and June 2007, the Steering Committee worked with David Ramey, Consultant, to develop a comprehensive Strategic Business and Operating Feasibility Study for the Dayton-based “Crayons to Classrooms.” This feasibility and operating study will include articulation of:

- **Proposed Vision**
- **Proposed Mission**
- **Strategic Objectives**
- **Strategies**
- **Performance Measures of Success**
- **Facility Requirements and Potential Locations**
- **Product Inventory Structure**
- **Partnerships and Collaborators**
- **Marketing Requirements**
- **Governance Structure and Prospective Board Members**
- **Staffing Structure**
- **Funding Partnerships**
- **Five-Year Financial Forecast**

B. Rationale and Purpose:

Of the 38 “Free Stores for Teachers” programs across the United States, more than half are affiliated with a charitable organization called the SHOPA/Kids In Need Foundation. (SHOPA is the School, Home, and Office Products Association of manufacturers and distributors throughout the United States.)

Regardless of origin and partnership, all these programs share the same purpose:

To collect donations of surplus, close-out, and otherwise available material and re-distribute them to classroom teachers in schools serving lower income families for use in aiding student learning.

C. Summary of National Experience:

There are 38 “Free Stores for Teachers” operating throughout the United States. 23 of these stores are members of the Kids In Need National Network. Of these 23 stores, 12 are identified as Kids In Need Resource Centers, meaning they were initially launched by the SHOPA/Kids In Need Foundation.

Affiliates pay annual dues and receive products and benefits from the Kids In Need National Network. There are 17 other programs operating as independent free stores throughout the United States with no specific connection to the SHOPA/Kids In Need Foundation.

Independent free stores for teachers throughout the United States include:

- **Treasures 4 Teachers* (Phoenix, Arizona)**
- **Teacher Resource Center (Los Angeles, California)***
- **Resource Area for Teachers (San Jose, California)**
- **Teacher Resource Center (Washington, DC)***
- **Kids In Need Resource Center (Ft. Lauderdale, Florida)***
- **A Gift for Teaching – Oseloa (Kissimmee, Florida)**
- **The Dade Public Educator Fund (Miami, Florida)**
- **A Gift for Teaching of Pinellas (St. Petersburg, Florida)**
- **Teacher Universe – Crayons to Computers (North Miami Beach, Florida)**
- **A Gift for Teaching (Orlando, Florida)***
- **A Gift for Teaching – Tampa Bay (Tampa, Florida)***
- **Kids In Need Resource Center (Atlanta, Georgia)***
- **Teacher Resource Center (Chicago, Illinois)***
- **Teacher Supply Depot (Chattanooga, Tennessee)**
- **Partner Sharing Center (Memphis, Tennessee)**
- **School Tools (Beaumont, Texas)***
- **North Texas Teacher Resource Center (Dallas, Texas)***
- **School Tools (McAllen, Texas)**
- **Crayons to Computers (Chesterfield, Virginia)**
- **Teacher Resource Center (Kent, Washington)***
- **Teacher’s Warehouse (Bloomington, Indiana)**
- **Teacher’s Treasures (Indianapolis, Indiana)***
- **Teacher’s Delights (Lexington, Kentucky)**
- **Extras for Creative Learning (Hyde Park, Massachusetts)**
- **Ruth’s Reusable Resources (Scarborough, Maine)***
- **Teacher Resource Center (Detroit, Michigan)***
- **Teacher Resource Center (Minneapolis, Minnesota)***
- **Kids Marts Tools for Learning (St. Louis, Missouri)***
- **Classroom Central (Charlotte, North Carolina)***
- **Kids In Need Resource Center (Hillside, New Jersey)***
- **Santa Fe Partners in Education (Santa Fe, New Mexico)**
- **Teacher Resource Center (Bronx, New York)***
- **Materials Resource Center (Center Point, New York)**
- **Crayons to Computers (Cincinnati, Ohio)***
- **Kids In Need Resource Center (Cleveland, Ohio)***
- **Schoolhouse Supplies (Portland, Oregon)**

**Affiliated members in the Kids In Need National Network*

The following chart of Kids In Need Resource Centers and affiliates presents a scope of services for affiliated “Free Stores for Teachers” throughout the United States:

Kids In Need Resource Centers, Affiliates, and Free Stores for Teachers

Center	No. of Schools Served	Average Monthly Teacher Visits	No. of Students Served Per Year	\$ Amount of Product Distributed Last Year	Size
A Gift for Teaching Orlando	180	1,000	75,000	\$3,333,000	5K sq. ft. shopping 25K sq. ft. warehouse
A Gift for Teaching Tampa Bay	26	281	13,500	\$520,366	
Atlanta Kids In Need	157	390	166,000	260,000 lbs.	5K sq. ft. shopping 5K sq. ft. warehouse
Chicago Kids In Need	72	22	50,000	\$800,000	5K sq. ft. shopping 10K sq. ft. warehouse
Classroom Central	52	311	35,000	\$1,219,124	2.5K sq. ft. shopping 12.5K warehouse
Crayons to Computers Cincinnati	152	1,500	75,000	\$4,500,000	5K sq. ft. shopping 35K sq. ft. warehouse
Cleveland Kids In Need	54	200	77,000	\$900,000	1.5K sq. ft. shopping 10K sq. ft. warehouse
DC Kids in Need	209	741	48,900	\$2,000,000	1.5K sq. ft. shopping 23K sq. ft. warehouse (shared)
Detroit Kids In Need	39	639	15,000	\$1,000,000	7K sq. ft. shopping 3K sq. ft. warehouse
Los Angeles Kids in Need	100	250	270,000		1,040 sq. ft. shopping 22K sq. ft. warehouse (shared)
Twin Cities Kids in Need	46	275	30,541		3.5K sq. ft. shopping 5K sq. ft. warehouse
Newark Kids in Need	96	200	27,000	\$300,000	3,200 sq. ft. shopping

Center	No. of Schools Served	Average Monthly Teacher Visits	No. of Students Served Per Year	\$ Amount of Product Distributed Last Year	Size
Resource Area for Teachers (RAFT)	916	1,100	700,000	220,000 cu. ft. + \$330,000	Resource Area for Teachers (RAFT)
Ruth's Reusable Resources	195	40	60,000	\$750,000	
Santa Fe Partners in Education	32	75	12,000	\$175,000	10K sq. ft. shopping 180 sq. ft. warehouse
Schoolhouse Supplies	130	500	50,000	\$1,250,000	3K sq. ft. shopping 3K sq. ft. warehouse
School Tools – A Project of the Food Bank RGV	38	2,143	53,575	\$257,986	
School Tools – Southeast Texas Food Bank	22	84	4,000	\$90,000	
Seattle Kids In Need	110	497	40,506	\$2,750,000	5K sq. ft. shopping 5K sq. ft. warehouse
South Florida Kids In Need	244	416	62,400	\$940,000	1.5K sq. ft. shopping 10K sq. ft. warehouse (off-site)
Teacher's Treasures	147	670	78,880	\$2,112,343	
KidSmart St. Louis					3K sq. ft. shopping 9K sq. ft. warehouse

D. Core Competencies:

Operating “Crayons to Classrooms” will require several necessary core competencies to establish and operate a potential location in Dayton, Ohio. These core competencies are summarized as follows:

- **Retail Display Presentation Experience** – This includes complete knowledge of retail displays and organizing school supplies, classroom kits, incentive products, and related resources in a creative manner similar to a retail store. A typical “Free Store for Teachers” requires 25% to 30% of total space in a retail display area.
- **Warehouse and Inventory Management** – Some “Free Stores for Teachers” demonstrate sophisticated warehouse and inventory management practices. Warehouse and inventory management competencies include the ability to organize products in an SKU system and to accept spontaneous inventory deliveries from donor organizations.

Inventory management also includes low cost purchasing of basic school supplies when donations do not support and sustain demand in the retail store. A typical configuration of retail management may include a fairly complex computerized inventory management system, as well as 70% of the facility’s total square footage used as a warehouse area. Loading docks, materials handling equipment, and a warehouse facility adjacent to the retail space also appear to be a common requirement of the “Free Store for Teachers” enterprise.
- **Fundraising and Development** – All “Free Stores for Teachers” rely totally on a comprehensive strategy for fundraising and development. Some of the more successful free stores have conducted capital campaigns to purchase their facilities. Stores also require annual operating campaigns for financial resources to support staff and material overhead for the program. Acquisition and solicitation of donated goods are also a core competency in the fundraising and development area.
- **Marketing Support** – An effective “Free Stores for Teachers” program will need a comprehensive marketing strategy and ongoing relationships with local school districts in the target areas. Special event management and media relations are key marketing competencies needed. Consequently, marketing leadership and skills will be essential to support a “Free Store for Teachers” enterprise. This could be done in combination with professional staff, as well as board members who have a core competency in marketing and communications.
- **Volunteer Management** – All “Free Stores for Teachers” rely heavily on volunteers to be successful. Volunteers may be teachers who benefit from the store, as well as a wide array of additional volunteers in the community. Comprehensive volunteer management skills will be an essential element of a successful “Free Store for Teachers” program.
- **Administrative and Operations Leadership** – A “Free Store for Teachers” will require administrative and operations leadership. This will include finance and accounting systems, staff development, program planning, staff scheduling, payroll support, and donor database management.

E. Target Markets:

The following chart represents the potential size and target markets of “Crayons to Classrooms” in the Dayton region. This profile represents those schools in Darke, Greene, Montgomery, Preble, and Warren Counties with an excess of 60% of their students eligible for free and reduced lunches. Based on the following table, there is a minimum of 1,400 teachers, 85 schools, and 22,500 students in the initial service area for a Dayton-based “Crayons to Classrooms”.

Teachers from eligible schools are often limited in the number of visits per month. Some teachers may exchange hours of volunteer service for a shopping trip (i.e., three hours of volunteer service per shopping visit). Based on comparable data from other stores, Dayton “store sales” could be between \$500,000 and \$1,900,000 per year. Stores control volume by the number of days and hours per week they are open.

Based on the experience of Crayons to Computers in Cincinnati, the average cost of a shopping trip for a teacher is approximately \$330 in school supplies. These school supplies tend to be into the following three categories:

- **Basic School Supplies, Materials, and Incentives** (paper, pencils, crayons, art paper, and products used by teachers to incentivize student learning)
- **Student Learning Kits** (made by inmates from recycled product materials)
- **Pre-school/Early Childhood Resources**

PERCENTAGE OF FREE AND REDUCED LUNCHES BY COUNTY¹
(Darke, Greene, Preble, Montgomery, Warren Counties)
(Schools with Free and Reduced Lunches Greater Than 60%)

County (District or Township)	School	No. of Teachers (FTE)	No. of Students (2005-2006)	Free Lunches (by percent)	Free and Reduced Lunches (by percent)
DARKE (none > 60%)					
GREENE					
	Children's Group Home (Alpha)			100.00	100.00
	Group Home #3 (Fairborn)			100.00	100.00
	Greene County Juvenile Court			100.00	100.00
	Greene County Learning Center			55.70	63.29
	Residential Treatment Center			100.00	100.00
	Miami Valley Rehab – Greene Juv			100.00	100.00
MONTGOMERY					
	The New Choices Community School	15	202	87.93	89.66
	Academy of Dayton	13	85	80.00	86.32
	Center for Adolescent Services			90.00	90.00
	City Day Community School	7		67.20	67.20
	Colin Powell Leadership Academy	1	205	96.48	97.54
	Daybreak			100.00	100.00
	The Dayton Academy	10	889	87.61	93.43
	Dayton View Academy	12	793	89.89	95.56
	East End Community School	12	134	69.78	83.11
	Emerson Academy of Dayton	20	272	73.26	79.43
	ISUS Institute of Construction Technology	11		72.66	86.33
	ISUS Institute of Healthcare	4		79.01	92.59
	ISUS Institute of Manufacturing	8		75.58	84.88

¹Information obtained from State of Ohio, Department of Education, Office of Child Nutrition Services (October 2006)

County (District or Township)	School	No. of Teachers (FTE)	No. of Students (2005-2006)	Free Lunches (by percent)	Free and Reduced Lunches (by percent)
	Mary Queen of Peace (Gramont Campus)	25	225	71.81	84.14
	Mary Queen of Peace (Homewood Campus)	30	450	58.06	82.26
	New City School	6	68	76.06	85.92
	Nu Bethel Center of Excellence	4		100.00	100.00
	Omega School of Excellence	7	140	56.00	64.00
	Our Lady of the Rosary		220	46.29	63.76
	Richard Allen Preparatory School	11	90	57.61	60.87
Dayton City S.D.	Allen Elementary School	20	301	67.41	75.37
	Belle Haven Elementary School	34	427	75.68	84.82
	Belmont High School	57	901	64.21	74.21
	Charity Adams Earley Academy	2	85	54.30	61.59
	Charles L. Loos Elementary School	23	320	58.98	69.66
	Colonel White Performing Arts	59	976	56.63	65.47
	Cornell Heights Elementary School	29	452	70.37	80.45
	Dayton Boys Preparatory (at Cleveland School)			66.44	73.29
	Dayton Technology Design HS			55.56	64.44
	Dunbar High School	41	689	67.84	74.44
	Early College Academy	18	217	46.09	60.43
	Eastmont Park Elementary School	33	461	54.40	64.45
	Edison Elementary School	22	357	87.17	91.44
	F G Carlson Elementary School	25	349	74.63	80.79
	Fairview Elementary School	22	351	70.23	77.86
	Fairview Middle School	35	653	78.39	85.66
	Franklin Montessori Elementary School	19	359	58.51	67.53
	Gardendale Academy	18	79	81.82	90.91
	Gettysburg Elementary School	11	58	58.11	57.00
	Gorman Elementary School		64	59.41	71.29
	Jefferson Montessori I Elementary	27	509	80.44	90.22
	Jefferson Montessori Primary II	8	95	37.35	42.02
	Kemp Elementary School	23	368	67.63	78.94
	Kiser Middle School	21	178	76.49	80.00

County (District or Township)	School	No. of Teachers (FTE)	No. of Students (2005-2006)	Free Lunches (by percent)	Free and Reduced Lunches (by percent)
	Lincoln Elementary School	36	492	65.55	75.17
	Longfellow Center	8	275	63.01	70.52
	Meadowdale Elementary School	29	488	59.97	71.70
	Meadowdale High School	58	949	59.64	66.54
	Miami Chapel Elementary School (at Wogoman School)	20	338	84.82	90.24
	Orville Wright Elementary School	28	471	71.51	77.80
	Patterson Career Center HS	36		53.28	60.10
	Patterson Kennedy Elementary		746	73.25	80.13
	Van Cleve @ McGuffey Elementary	28	345	75.94	78.70
	Wilbur Wright Middle School	45	676	74.23	80.07
	World of Wonder Elementary	24	374	68.34	78.89
Jefferson Township	Blairwood Elementary	25	307	63.55	75.60
	Monday CBCF			100.00	100.00
	F. W. Nicholas Center for Youth			100.00	100.00
	Montgomery County ESC Learning Center			55.15	72.06
	Montgomery County Juvenile Detention			100.00	100.00
Kettering City	Moraine Meadows Elementary	9	143	49.28	63.04
Mad River Local	Saville Elementary School	24	415	51.15	64.08
Northridge Local	Esther Dennis Middle School	28	385	53.82	62.61
	Grafton Kennedy Elementary	20	338	60.06	73.07
	Morrison Elementary	23	303	70.06	77.12
	Mound St. Military Career Academy	8	123	75.00	88.76
	North Dayton School of Science and Discovery	33	568	59.34	73.09
	Timberlane Learning Center	9	175	69.18	82.44
	Trotwood Fitness & Prep Academy	19	195	66.97	75.98

County (District or Township)	School	No. of Teachers (FTE)	No. of Students (2005-2006)	Free Lunches (by percent)	Free and Reduced Lunches (by percent)
Trotwood- Madison S.D.	Broadmoor Elementary	19	417	62.72	76.57
	Shilohview Elementary	21	337	62.23	72.45
	Townview Elementary	20	363	77.85	87.34
	Trotwood-Madison Middle School	39	613	59.03	72.02
	Westbrooke Village Elementary	19	405	68.77	84.24
West Carrollton S.D.	Frank Nicholas Elementary School	8	178	56.65	70.44
PREBLE (none > 60%)					
WARREN					
	Darlene Bishop Home for Life			100.00	100.00
	Mid-western Children's Home			100.00	100.00
	Warren County Juvenile Detention			100.00	100.00
	Mary Haven Youth Center			100.00	100.00
	Estimated Minimum Totals (Eligible Teachers and Students)	1379	22,441		

II. PROPOSED VISION AND MISSION:

Proposed Vision

To enhance the readiness to learn for all children in need and their teachers in greater Dayton by providing the tools for learning.

Proposed Mission

“Crayons to Classrooms” collects and distributes at no cost the basic tools for classroom learning into the hands of teachers and school children in need. We enable children in need and their teachers to lift their level and love of learning. We are a member of the “Kids in Need” National Network of Teacher Free Stores.

III. STRATEGIC OBJECTIVES:

The following strategic objectives were identified as the driving success factors in creating “Crayons to Classrooms” in the Dayton region. Each objective will be supported by a set of strategies and performance measures outlining the priorities and deliverables to accomplish these success factors.

A. Provide Classroom and Creative Arts Resources for Teachers Pre-K through 12

Position “Crayons to Classrooms” as a greater Dayton resource for classroom and creative arts resources to teachers, their schools, and school districts, serving populations of children most in need.

B. Build on National Best Practices

Build on national best practices and the experiences of the SHOPA/Kids In Need Network of Teacher Free Stores as unique contributors to a Dayton-based facility.

C. Engage Greater Dayton’s Unique Collaborative Environment as a Preferred Mode of Operation

Engage Dayton’s unique volunteer networks and collaborative environment among business, professional, community, civic, and educational associations as a preferred mode of operation for “Crayons to Classrooms.”

D. Leverage the School Box Program as a Vehicle for Individual Giving

Leverage the SHOPA “School Box Program” as a vehicle for parents and families in the Dayton region to support lower income students and families by contributing school supplies annually to this program.

IV. STRATEGIES:

For each of the strategic objectives proposed for “Crayons to Classrooms” in the Dayton region, the following strategies will be used to build the capacity for the store and to engage various publics in its success. These strategies are intended to provide a framework for creating and operating “Crayons to Classrooms” in Dayton in the first five years.

A. Provide Classroom and Creative Arts Resources for Teachers Pre-K through 12

- 1. Survey teacher preferences for school supplies and materials to be available through “Crayons to Classrooms” in Dayton.**
- 2. Identify specific desired facility, capacity, location, and a timeline for initial operations and opening.**
- 3. Develop visitation and free shopping trip policies for teachers, including those from low income schools, as well as other schools based on an exchange of volunteer time in service to “Crayons to Classrooms.”**
- 4. Identify sourcing opportunities for products and financial contributions in the Dayton region to determine the “product mix” for “Crayons to Classrooms.”**
- 5. Develop and implement a product collection campaign as part of the start-up operations of “Crayons to Classrooms.”**
- 6. Determine a focused target market of eligible schools and school districts in the Dayton region based upon product collection campaign results.**
- 7. Expand the services of “Crayons to Classrooms” to serve all eligible children and schools in the Dayton region as feasible during the first five years of operation.**
- 8. Integrate services of “Crayons to Classrooms” with the “Its Instrumental Program” of Dayton Public Schools and the Dayton Philharmonic Orchestra to build a strong single source for musical instruments and arts supplies for students.**
- 9. Identify successful elements of the musical resources of the Gift for Teaching Program in Orlando as a basis for Dayton services in this area.**
- 10. Identify local arts organizations and local retailers to be partners in identifying sources for musical instruments and art supplies for students in the area.**

B. Build on National Best Practices

- 1. Implement best practices identified by Crayons to Computers in Cincinnati which are relevant to the Dayton-based store.**
- 2. Engage initial sponsors and donors in visitation trips to Crayons to Computers in Cincinnati as a way for them to gain first-hand experience with the concept.**
- 3. Upon inception of the store in Dayton, affiliate with the Kids In Need regional network of SHOPA to benefit from and contribute to these national partners providing resources to teachers.**
- 4. Work with Crayons to Computers to conduct joint donor requests from major corporations in the State of Ohio benefiting all Ohio-based stores, including Dayton, Cincinnati, and Cleveland.**
- 5. Participate in the “Crafts with Convictions” Program of Crayons to Computers, providing instructional materials and learning aids through the Dayton-based store.**
- 6. Adopt store operating policies and inventory structure of the Crayons to Computers store in Cincinnati acquiring software as available for Dayton-based operations.**

C. Engage the Dayton Region’s Unique Collaborative Environment as a Preferred Mode of Operation

- 1. Engage parents and families in the greater Dayton region, encouraging their leadership as volunteers and donors to support urban and lower income schools and families.**
- 2. Engage the Dayton Area Chamber of Commerce, in particular the Leadership Dayton Program, as a vehicle for building leadership support for “Crayons to Classrooms” in Dayton.**
- 3. Engage the Dayton-based colleges and universities as a source for key student volunteers for the “Crayons to Classrooms” facility.**
- 4. Work with the “Community Education Councils” of Dayton Public Schools to engage parents as volunteers in “Crayons to Classrooms.”**
- 5. Work with PTAs and PTOs within individual school districts throughout the Miami Valley as a source for volunteers and individual donations to “Crayons to Classrooms” in Dayton.**
- 6. Explore the connection of “Crayons to Classrooms” in Dayton with the United Way of Greater Dayton to assess the benefit of affiliation.**
- 7. Engage the Retired Teacher Association of Dayton Public Schools, as well as similar associations in other school districts, to build the volunteer and donor capacity of “Crayons to Classrooms”.**

8. Engage major healthcare providers for school district employees to play a leadership role in the sponsorship of the Dayton-based store.
9. Explore a partnership with Goodwill Industries of Dayton to obtain a regular supply of underwear, socks, gloves, and mittens for students.
10. Explore a partnership with the Montgomery County Material Use Facility for common collection and distribution.
10. Conduct regular product drives using local major employers and banks as drop-off locations for donated supplies to “Crayons to Classrooms” in Dayton.
11. Engage the Southwest Ohio Council for Higher Education as a resource for “Crayons to Classrooms.”
12. Engage the unique Dayton publishing community for children’s textbooks and creative resources for learning.
13. Engage service clubs in the Miami Valley in key projects to enhance “Crayons to Classrooms” resources.

D. Leverage the School Box Program as a Vehicle for Individual Giving

1. Engage past and prospective corporate school box funders for the 2007 program through the SHOPA/Kids In Need Foundation.
2. Explore the integration and/or transfer of the School Box Program from the SHOPA/Kids In Need Foundation to “Crayons to Classrooms” in 2008 or 2009.
3. Designate “founding partner status” for primary corporate funders of the School Box Program as part of “Crayons to Classrooms” in Dayton acknowledging their contribution to initiating the concept for the area.
4. Develop the School Box Program as a tool to build a regional capacity for individual donors engaging families throughout the Miami Valley to support other families in need by sponsoring school boxes.
5. Provide service opportunities for other schools, classrooms, and churches in the Dayton region to become partners in the School Box Program and as an introductory vehicle for their long-term support of “Crayons to Classrooms.”
6. Develop an appropriate database of individual donors and partners through the School Box Program developing these relationships for future individual donors to the “Crayons to Classrooms” facility.
7. Explore collaborations with the Children’s Services “Stuff the Bus” Program as a “Crayons to Classrooms” partner.

V. PERFORMANCE MEASURES OF SUCCESS:

The following performance measures are the proposed “metrics of success” projected as a result of the first five years of operation of “Crayons to Classrooms” in greater Dayton. These performance measures are intended to be used to assess the feasibility of the plan and as an annual evaluation by a future Board of Directors on the program of the organization in meeting its strategic plan objectives.

1. To reach 700 teachers per year or 50% of the potential market of teachers from eligible schools by the end of the first five years of store operation.
2. To support up to 5 shopping trips per year per teacher, leveraging resources to at least 11,000 students of the total of 22,500 eligible students in greater Dayton for each of the first five years of the plan.
3. By the end of Year 3, to reach 100% of the 84 eligible buildings with 60% of their students receiving free or reduced lunch services.
4. To leverage an annual average of \$1.28 million in donated school supplies per year for the first five full years of store operations or \$6.4 million over five years.
5. To leverage start-up donor support and sponsorships equivalent to \$300,000 per year for the first three years of operation or \$900,000 for three years of operating support.
6. To leverage an average of \$275,000 per year in additional cash donations toward store operations and the purchase and transportation of goods to be distributed in the first five full years.
7. To raise capital donations of \$300,000 for leaseholder improvements to support a 2,000 sq. ft. “Crayons to Classrooms” with 10,000 sq. ft. of warehouse space and equipment.
8. To engage community partners as joint project sponsors for 80% or more of the programs and services of “Crayons to Classrooms.”
9. To secure funding for the School Box Program in collaboration with the SHOPA/Kids In Need Foundation through corporate support for the next three years of the program through 2009.
10. By 2010, to generate new private funding support from individuals, churches, and schools in greater Dayton for at least 80% of the School Box Program in collaboration with the SHOPA/Kids In Need Foundation.
11. To leverage 60% of the philanthropy for “Crayons to Classrooms” from new sources of corporate, individual, and community donors by the end of the fourth year of operation.
12. To fully participate in and benefit from the national affiliation and branding and marketing program of the Kids In Need Foundation network of Free Store for Teachers and its corporate partner, Target Stores.

VI. FACILITY AND TECHNOLOGY REQUIREMENTS AND STORE LOCATION:

The Dayton “Crayons to Classrooms” Free Store is proposed to be located at the Goodwill Industries of Dayton headquarters on 1511 Kuntz Road, Dayton, Ohio 45404-1297. As a result of the Feasibility Study, Goodwill Industries has generously offered 12,000 sq. ft. of warehouse retail and office space at their headquarters for use by the Free Store for a multi-year commitment until they possibly relocate to another facility. At that time, it is possible that “Crayons to Classrooms” may move with Goodwill Industries to their new location after the first few years of operation.

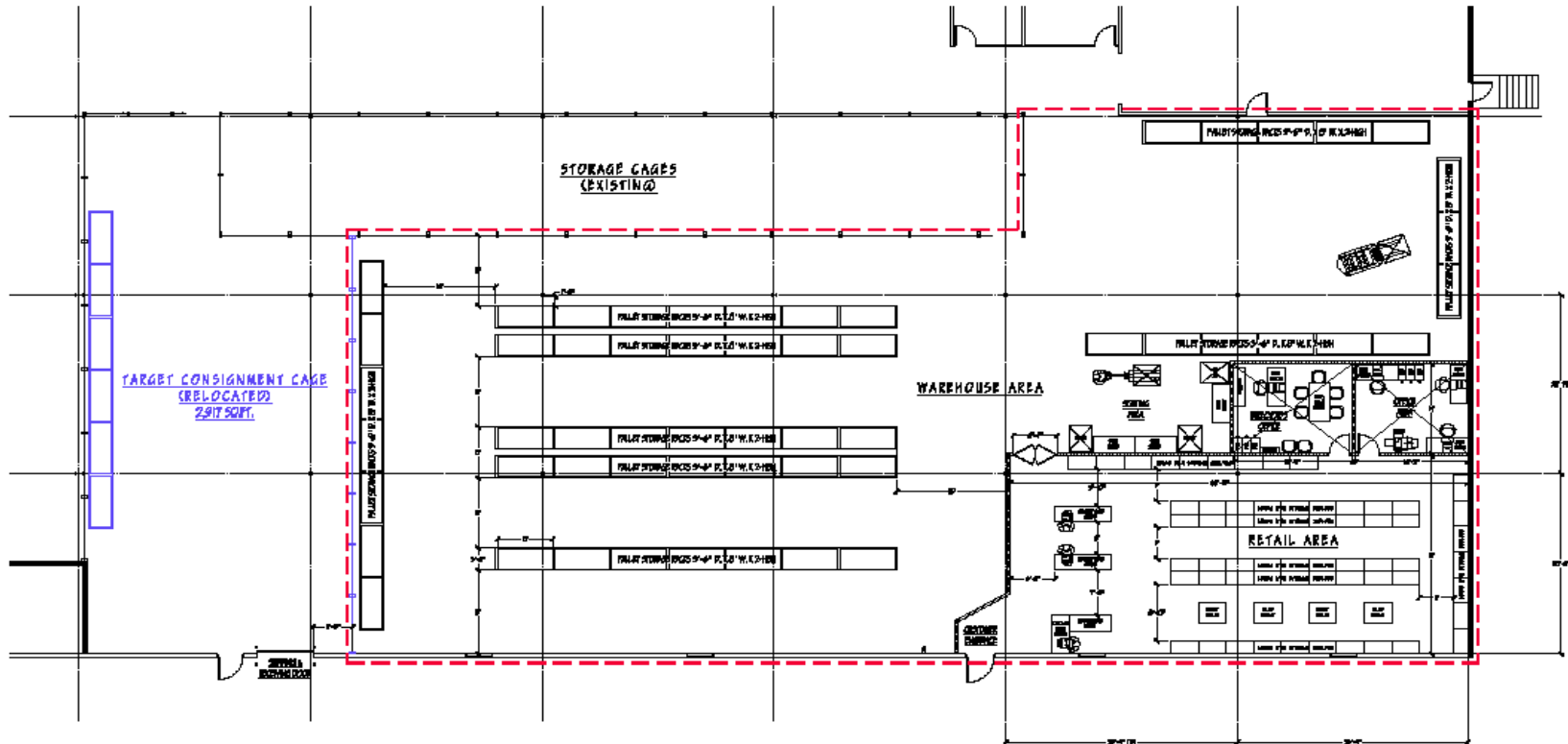
This unique partnership will provide the Free Store with the following facility and technology capabilities and resources:

- **10,000 to 12,000 sq. ft. of warehouse storage for store inventory**
- **Adjacent retail store location**
- **Available space for offices**
- **Materials handling equipment**
- **Access to Goodwill Industries telephone system**
- **Use of Goodwill Industries technology network backbone**
- **Access to Goodwill fleet of trucks for pick-up services**
- **Materials handling and unloading services**
- **Network of 26 donation sites throughout the greater Dayton region for individuals to contribute to “Crayons to Classrooms”**

This substantial contribution by Goodwill Industries represents a major breakthrough in the cost structure and affordability of offering “Crayons to Classrooms” in the greater Dayton area.

Figure 1 which follows represents the proposed layout for the “Crayons to Classrooms” facility at the Goodwill Industries headquarters. The annual estimated value of Goodwill’s contribution to this effort is \$30,000 per year for a total of 12,000 sq. ft. at \$2.50 per sq. ft. Full scale drawings are available and were donated to the feasibility process by Standard Register.

FIGURE 1
PROPOSED "CRAYONS TO CLASSROOMS" GOODWILL



AREA BREAKDOWN

WAREHOUSE	9,146 SQ.FT.
OFFICE	496
RETAIL	2,147
TOTAL AREA:	11,790 SQ.FT.



DRAWING LEGEND
█ RELOCATED

PROPOSAL #3 - "CRAYONS TO CLASSROOMS" at GOODWILL
 1511 KUNTZ ROAD, DAYTON, OHIO
 DRAWING SCALE: 1/8" = 1'-0"
 6-26-07 M.KIRCHNER

In addition to the leveraged partnership with Goodwill Industries, Standard Register has generously contributed its facility design and project management experience to the Free Store project. The estimated value of their preliminary design estimate management and potential project management for the leaseholder improvements of the Free Store represent a total contribution value of approximately \$45,000. Standard Register is also committed to overseeing the leaseholder improvement work of a general contractor as part of their contributed services.

The following lists of leaseholder improvements and facility requirements are those included in the initial leaseholder improvement cost estimate for renovations to the current Goodwill warehouse space in order to accommodate “Crayons to Classrooms.” These items are part of a capital project to make the necessary leaseholder improvements for the Free Store.

- **Construction of office and retail areas**
- **Air-conditioning of office and retail areas**
- **Lighting Improvements for the warehouse area, retail store area, and office area**
- **Painting scheme and design for store branding colors, store and warehouse floor, and ceiling areas above the store**
- **Exterior and interior signage**
- **Remodeling of front entrance**
- **Pallet racking (possible in-kind donation)**
- **Store shelving and racking (possible in-kind donation)**
- **Drywall for store and office areas**
- **Office equipment, including desks, chairs, and file cabinets (possible in-kind donation)**
- **Fatigue mats for check-in, check-out, and sorting areas**
- **Sorting tables**
- **Check-out tables**
- **Fans for warehouse area**
- **Shopping carts and bags (possible in-kind donation)**
- **Four computers, two printers, a server, and monitors (possible in-kind donation)**
- **Proprietary point-of-sale/shopper database developed by “Crayons to Computers” in Cincinnati and licensed to “Crayons to Classrooms” in Dayton**

VII. PRODUCT/INVENTORY STRUCTURE:

While each of the national Free Stores has a product or inventory structure related to their product donors, the following Product/Inventory Structure for “Crayons to Classrooms” in Dayton is modeled after the program of “Crayons to Computers” in Cincinnati. These two stores will likely cooperate in product offerings while they will individually solicit from a local donor pool.

Common requests for donated materials and school supplies across the State of Ohio could include stores in Dayton, Cincinnati, and Cleveland. The recommended Product/Inventory Structure for Dayton would offer three brands of supplies and materials, including:

- **Basic School Supplies, Materials, and Incentives**
- **Student Learning Kits**
- **Pre-school/Early Childhood Resources**

The Student Learning Kits below represent the current resources of “Crayons to Computers” in Cincinnati made by Ohio Inmates through their “Crafts with Convictions” program (CWC). The Cincinnati store has offered to provide these resources to Dayton for reimbursement. In addition, the partnership with Goodwill Industries will also provide a local pool of workers capable of producing these kits locally through their sheltered workshop program. It is likely that the Dayton-based “Crayons to Classrooms” and the Cincinnati-based “Crayons to Computers” will cooperate with Goodwill Industries in offering this product line.

The following sample inventory indicates the SKU’s which may be offered in the Dayton store:

Basic School Supplies, Materials, and Incentives	Student Learning Kits	Pre-school/Early Childhood Resources
Basic Wipes, samples	American Leaders	8-Tile Memory Game
Bags, Gift, Mix/Match	Branches of Government	ABC Match Game
Bags, Plastic, 4x6	Chaircovers	Clifford’s Word Book
Balsom Cutouts	Character Bingo	Collections
Batteries	Character Construction	Color Word Cards
Beads	Character Counts!	Count Cards
Beauty Care, from rack	Character Words, Mix/Match	Count the Buttons
Beauty Care, from shelf	Clippity Clocks	Kangaroo Hop
BHL Healthy Activities Workbook	Compare/Contrast	Lacing Hearts
BHL Healthy Activities Placemat	Contraction Slides, pkg. of 10	Match-It Game
BHL Rhythm Revolution	Count by 5 & 10	Rhyming Words, Set A/Set B
BHL Where Do I Sit Placement	Cutouts, Mix/Match	Shape Journals, Mix/Match
Binders, Shelves A & B	Dolch Words	Shapes
Binders, Shelf C	Draw & Write	Shoe Laces
Book, Charlotte’s Web/Terabithia	Mr. Franklinferter’s Fateful Foot	What do see/What do know
Book, Teacher’s Guide	Five Senses	Word & Picture Cards
Books, Book Nook	Flag Activities	

Basic School Supplies, Materials, and Incentives	Student Learning Kits	Pre-school/Early Childhood Resources
Book, Chicken Soup for the Soul	Flashcards	
Bookmarks, loose (from bin)	Flip Cards	
Bows, preformed	Flip Card Sets A & B	
Bracelets, pink	Hall Passes	
Bracelets, "Build A Dream"	How Will I Know...	
Buttons (Cup), Mix/Match	Journals	
Cake Toppers	Keys to Success	
Calendars, Desk (on rack)	Little Bear Calendar	
Calendars, NASCAR	Magic Circle	
Card Tins, Mix/Match	Maps, Ohio/USA	
Cards, Birthday/Greeting, on shelf	Multiplication Pop Quiz	
Cards, Greeting, on rack	Now You are 18	
Cards, playing, blank, banded	Number Tiles	
Cereal	Nutrition Bingo	
Cleanser, Noxzema	Peanut Butter Bobby	
Clear Cases, round, plastic	"Plan It" Journals	
Coasters, Bicycle	Puppets (set) Mix/Match	
Computer Accessories	Quick Source	
Cone Hats	Read to Succeed Journals	
Day-Timer Planner, undated	Reading Books, Mix/Match	
Dispenser, Kandoo	Runaway Rings	
Emery Boards	States and Capitals	
Envelopes, White	Table Manners	
Envelopes, Logo	"Thank You" Notes	
Expandable Files	Thermometers	
Felt, package	Time Slides, pkg. of 10	
Felt, squares	Totebags	
Folders, Creative Memories	Turn & Learn	
Folders, hanging	Writing/Print Practice	
Folders on rack		
Granola Bars		
Glue		
Glue Sticks		

Basic School Supplies, Materials, and Incentives	Student Learning Kits	Pre-school/Early Childhood Resources
Hats, Scarves & Mittens, Mix/Match		
Index Cards, colored OR white		
Leather Samples		
Legal Pad		
Legal Pads, small, pkg. of 3		
Lip Gloss		
Mailing Tubes		
Makeup Brush		
Maps, Middle East		
Maracas		
Markers		
Martin Luther King Book & Bracelet		
Mirrors		
Miscellaneous (back of store)		
Napkins, Valentine		
National Geographic		
Notebooks, spiral, left-handed		
Notebooks, spiral, 1 subject		
Notebooks, spiral, 3-5 subject		
Notepads, package		
Oil of Olay, .23 oz.		
Organizer		
Paper, 8-1/2 x 11		
Paper, 8-1/2 x 14 OR 11 x 17		
Paper, 10 x 12, colored		
Paper, filler		
Paper, large		
Party Horns		
Party Supplies, Mix/Match		
Pencils, Beginners		
Pencils, colored		
Pencils, no erasers		
Pencils, regular lead		

Basic School Supplies, Materials, and Incentives	Student Learning Kits	Pre-school/Early Childhood Resources
Pencils, RUWE drawing		
Pick 1 Package		
Pick 3 Package		
Pick 5 Package		
Plastic Sheets, green/purple		
Plates, Valentine		
Posters, Mix/Match		
Poster Paint		
Poster Paper		
Posterboard, 14 x 16		
Posterboard, Border (on rack)		
Post-it notes, samples		
Potty Power		
Purses/Cos. Bags, Mix/Match		
Ribbon		
Rubberbands, Mix/Match		
Rulers		
Rulers, Creative Memories		
Scissors		
Scrapbook Paper/Designs (on rack)		
Scrapbook Paper/Designs (on shelf)		
Snack Crackers		
Soap Container		
Steno Book		
Stickers, Mix 'N Match, all kinds		
Streamers		
Tablecloths		
Tape, transparent		
Tissues, facial		
Toothpaste, Crest, samples		
Tubes, Plastic White		

Basic School Supplies, Materials, and Incentives	Student Learning Kits	Pre-school/Early Childhood Resources
UDF Containers/Lids		
Videos, exercise		
Wallpaper Books		
Wrapping Paper, roll		
Yarn, Boa Type		
Yarn, Fun Fur, bag of 3		

VIII. PARTNERSHIPS AND COLLABORATORS:

One of the key attributes of the feasibility study for “Crayons to Classrooms” in Dayton has been determining the committed partners and potential collaborators leveraging other community resources to achieve the store’s mission. The following confirmed partnerships are committed to the Free Store project and the specific points of shared resources and collaboration which follow.

A) **Goodwill Industries** – Goodwill Industries will provide the home location for “Crayons to Classrooms” in Dayton, Ohio. This includes contributing 12,000 sq. ft. of warehouse, office, and retail space annually at an estimated value of \$30,000 per year. Other contributed services of Goodwill Industries include:

- **Access to materials handling equipment**
- **Access to pick-up and drop-off trucking services**
- **Access to a network of 26 donor locations throughout the greater Dayton area**
- **Access to a technology backbone and telephone system**

In addition, the partnership with Goodwill Industries may also include the following services on a direct cost reimbursement basis:

- **Extensive materials handling services within the store warehouse**
- **Technology network maintenance services**
- **Accounting services**
- **Manufacturing of learning kits for classrooms by their sheltered workshop**

B) **SHOPA/Kids in Need Foundation** – The SHOPA/Kids in Need Foundation will play an integral role in developing and implementing “Crayons to Classrooms” in Dayton, Ohio. The Foundation maintains a network of Free Stores throughout the United States with members paying a modest annual fee for participation.

The SHOPA/Kids in Need Foundation will make the following contributions to the Free Store in Dayton:

- **Use of the national branding strategy for Free Stores associated with the Kids in Need Foundation and Target Stores**
- **Participation in major national, regional, and state donations of products for Free Stores**
- **Participation or sponsorship of a School Box Expansion Program which may eventually be implemented by “Crayons to Classrooms”**
- **Collaboration with a peer-to-peer network of Free Store operators**
- **Participation in an annual conference**
- **Regular advice and counsel on Free Store development**

- C) **“Crayons to Computers” in Cincinnati, Ohio** – “Crayons to Computers” in Cincinnati, Ohio is likely to enjoy a special relationship with the “Crayons to Classrooms” Free Store in Dayton. The Cincinnati-based store is a national model with best practices replicated by other stores throughout the country. Specific, unique synergies between the Cincinnati-based “Crayons to Computers” and the Dayton-based “Crayons to Classrooms” include the following:
- **Shared donor appeal to major Ohio-based companies for goods and products**
 - **Access and use of a proprietary, custom-designed check-out, inventory management, and customer shopping database**
 - **Joint product development of learning kits and crafts**
 - **Purchase of “Crafts with Conviction” learning kits from the Cincinnati store**
 - **Ongoing coaching and assistance in daily operations**
- D) **Dayton Public Schools** – One of the major clients for “Crayons to Classrooms” will be the teachers serving Dayton Public Schools. Recent difficulties with school district funding will only accelerate the problem of inadequate resources for teaching and learning in the classroom. The Communications Department of Dayton Public Schools has offered ongoing assistance and support in promoting the Free Store to its teachers and the public. The partnership with Dayton Public Schools will include:
- **Media stories on student and teacher needs**
 - **Media stories on teacher and student successes utilizing “Crayons to Classrooms” as a community resource**
 - **Access to local school teachers as volunteers**
- E) **The Standard Register Company** – The Standard Register Company has been a strong supporter of the feasibility analysis for “Crayons to Classrooms”. Their contributed services thus far are estimated at \$45,000 in facility design, cost estimating, and potentially project management. The Standard Register Company is poised to provide ongoing oversight of the necessary renovations and leaseholder improvements to open “Crayons to Classrooms” in Dayton, Ohio. They will provide donated project management for the construction/renovation phase and anticipate significant contributed services from their suppliers. Since the level of contributed services cannot be fully estimated without a construction contract, they are not included in the financial model.
- F) **Montgomery County Material Re-Use Facility (McMurf)** – Montgomery County operates a material re-use facility at its Springboro Pike location off I-75. This facility provides teachers within Montgomery County with furnishings and equipment through the re-use of recycled products, including furniture, lumber, office equipment, and recycled goods. This McMurf facility also provides four teacher shopping days a year for these large items.

One of the core capabilities of McMurf is public education on the importance of recycling. This effort also includes teacher workshops. Formal collaboration between McMurf and “Crayons to Classrooms” will include:

- **Jointly promoted teacher workshops on the importance of recycling and using recycled goods for crafts**
- **Coordination and promotion of major shopping days**
- **Exchange of recycled products to the most appropriate facility between McMurf and “Crayons to Classrooms”**

The following potential collaborations were identified by the Steering Committee during the feasibility study. These collaborations have not been formally committed; however, they remain potential prospects, particularly in the area of volunteer development and joint programming with “Crayons to Classrooms”.

- **Individual schools and school district parent school associations for access to volunteers**
- **Individual school district retired teacher associations for access to volunteers**
- **Teacher volunteers from non-Title I schools who exchange volunteer service for shopping trips**
- **The PACE parent network for access to volunteers**
- **Project Read for joint programming**
- **The Mentoring Collaborative for joint programming**
- **It’s Instrumental for joint promotion of classroom products and instruments**
- **“Stuff the Bus”, an annual program of Montgomery County Children’s Services for joint promotion**

IX. MARKETING REQUIREMENTS:

The unveiling of “Crayons to Classrooms” in Dayton is expected to be a significant event in grassroots community support for education. A Marketing Sub-committee of the Free Store Steering Committee developed a number of recommendations for the communications plan. The following broad concepts are considered helpful to establishing the identity and relationship of the free store to other educational services and needs within the community.

- A) Branding** – The SHOPA/Kids in Need Foundation has worked extensively with Target Stores, its national corporate sponsor. This collaboration has yielded a set of inter-related logos branding the SHOPA/Kids in Need Foundation with Target Stores and individual teacher free stores throughout the United States. This inter-related branding and logo strategy may be available for use by “Crayons to Classrooms” in Dayton, Ohio. Consequently, its branding and image program will be directed by this national collaboration.
- B) Marketing and Community Identity Strategy** – The following specific recommendations were offered to guide the marketing and community identity strategy acquainting the greater Dayton area with the concept of a free store for teachers, the needs in the community, and “Crayons to Classrooms”.
- 1) Work with Dayton Public Schools to develop a series of feature articles on teachers who go the extra mile to support students and the level of need for classroom supplies and learning tools for students in urban schools.**
 - 2) Schedule a news conference event featuring teachers and students as a main focus of capturing the need for “Crayons to Classrooms”.**
 - 3) Work with Goodwill Industries to develop a series of articles featuring the unique relationship between Goodwill Stores and “Crayons to Classrooms” at the Goodwill Industries headquarters on Kuntz Road.**
 - 4) Work with Dayton Public Schools to feature students in the free store who are exceptional urban student achievers through a follow-up special event which highlights a link between adequate resources in the classroom and student success.**
 - 5) Engage Montgomery County Children’s Services in a joint campaign featuring their “Stuff the Bus” Program and a unique partnership with “Crayons to Classrooms.”**
 - 6) Engage Project Read, the Mentoring Collaborative, and It’s Instrumental in a common series of promotional activities and articles which focus on the community’s voluntary response to meeting the needs of urban children at the grassroots level.**

- 7) Working with the SHOPA/Kids in Need Foundation, develop an individual donor component of the “School Box” Program allowing individuals throughout the greater Dayton area to fill a school box with designated school supplies to be dropped off at a Goodwill donation site in preparation for the annual school year, perhaps beginning in 2008.**
- 8) Continue a strong alliance and relationship with the Kids in Need Foundation and its network of affiliated free stores throughout the United States for purposes of continued learning of best practices.**
- 9) Engage college service learning programs, including Sinclair Community College, Wright State University School of Education, Wright State University College of Science and Mathematics, the University of Dayton School of Education, and the Southwest Ohio Collaborative for Higher Education. Utilize these collaboratives to feature college education majors, their interests in urban schools, and their service throughout the community. This may also serve as a way to engage college students as volunteers for “Crayons to Classrooms”.**

X. GOVERNANCE STRUCTURE AND PROPOSED BOARD MEMBERS:

The following governance and advisory structure is recommended to initiate “Crayons to Classrooms” in Dayton, Ohio. A number of scenarios were evaluated during the feasibility phase, including the possibility of a formal relationship with “Crayons to Computers” in Cincinnati, developing “Crayons to Classrooms” in Dayton as a Type I or Type III supporting organization of another not-for-profit organization, or separately incorporating “Crayons to Classrooms”. Of all the scenarios that were evaluated, it is recommended that “Crayons to Classrooms” be incorporated as a 501(c)(3) organization within the State of Ohio. This is the most common model for teacher free stores among the network of those entities throughout the United States.

- A) Start-up** – Since “Crayons to Classrooms” may be incorporated separately as a 501(c)(3) not-for-profit organization, the following key activities are anticipated as part of a 90-day start-up to launch this effort in the community:
- 1)** Submit an IRS 1023 application to establish a 501(c)(3) status for “Crayons to Classrooms”. It is anticipated that this designation will be achieved between six weeks and 120 days from application.
 - 2)** Establish a fund within The Dayton Foundation for “Crayons to Classrooms” to accept and acknowledge gifts parallel to the IRS 1023 application for not-for-profit status.
 - 3)** Secure commitment from Steering Committee members to serve as the founding Board of Trustees for “Crayons to Classrooms”.
 - 4)** Form a Transition Team, including initial sponsors and the Executive Committee.
 - 5)** Secure Steering Committee commitment to actively lead the fundraising and development effort for “Crayons to Classrooms” establishing the organization within the community.
 - 6)** Arrange for accounting services to be provided by Goodwill Industries to “Crayons to Classrooms” on a contractual basis.
 - 7)** Recruit the Executive Director after pledges have been received for the first three years of operation and initial capital investment.
 - 8)** Work with the Standard Register Company to oversee leaseholder improvements on the warehouse and retail store facilities in Goodwill Industries headquarters.

- 9) The following individuals who have served on the Steering Committee and/or a sub-committee may be likely candidates for service as members of the founding Board of Trustees and its sub-committees for “Crayons to Classrooms”:

Matt Artzn, Retail Director
Goodwill/Easter Seals of
the Miami Valley

Toni Bankston, Director
Marketing & Comm.
Dayton Chamber

Brad Cates
Vice President,
Marketing
Standard Register

David Clapper
Standard Register

Lance W. Detrick
Vice President
Goodwill/Easter Seals
of the Miami Valley

Selene Edmunds
Director, LexisNexis
Cares
LexisNexis

Anthony Gilkison
New Page
Corporation

Charlene Goeglein
Director, HR Services
Mead WestVaco
Corporation

Michael Greitzer,
Partner
Miller Valentine
Group

Lynda Hoffman
Community Affairs
Manager
Vectren

Amy Luttrell, President
Goodwill Industries of Dayton

Scott McGohan
McGohan Brabender

Jill Moberley
Dayton Public Schools

Shelley Outlaw, Community
Relations Manager
LexisNexis

Heidi Picinich, Community Relations
The Berry Company

Cathy Ponitz,
Director, Community Relations
Executive Director
Care Source Foundation

Steve Rubenstein
SHOPA Kids in Need Foundation

Bonnie Smith, Program Director
Parents Advancing Choice in
Education (PACE)

Tammy Vaughn
Four C for Children

Jeff Wellens
Group Vice President – Finance
National Markets Organization
Harte-Hanks

Phillip D. Wenzell
Director of International
Consumer and Office Products
Mead WestVaco Corporation

Amy Wiedeman
Montgomery County Administrative
Services

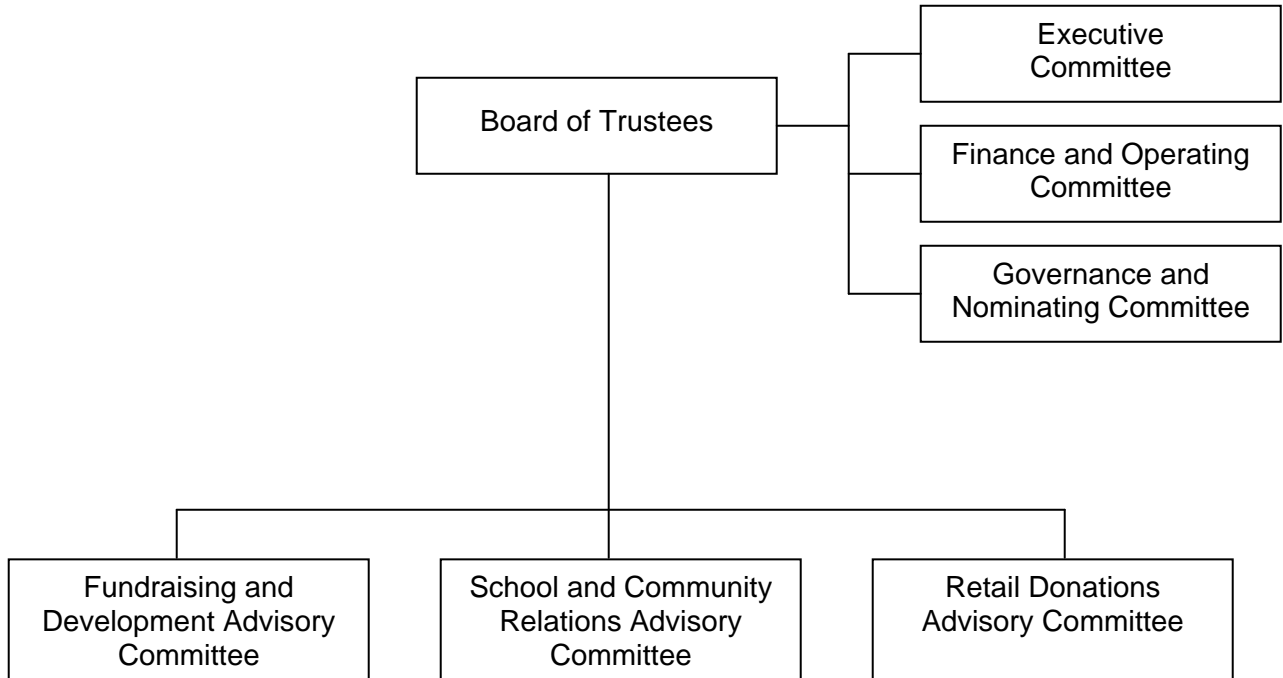
Additional Board candidates may be developed from key constituencies of “Crayons to Classrooms”, including teachers, civic and community groups, retired teacher associations, and local businesses.

B) Board of Trustees – It is recommended that a Board of Trustees be constituted to begin “Crayons to Classrooms” by the fall of 2007. It is further recommended that the Board of Trustees have no less than 15 members and no more than 25 members. It is further recommended that trustees be elected for a period of two years with the possibility of renewal for two additional two-year terms or a total of six years of service on behalf of “Crayons to Classrooms.” The principle responsibilities of the Board of Trustees will be further elaborated upon in a Code of Regulations and will include the following:

- 1) To serve as the chief fiduciary agent for “Crayons to Classrooms” according to the laws of the State of Ohio and the Code of Regulations as developed
- 2) To promote the purposes and advocate on behalf of “Crayons to Classrooms” throughout the greater Dayton area
- 3) To oversee strategic plans, operating plans, and fundraising and development plans as developed by the Executive Director
- 4) To approve the use and management of endowment funds and other charitable funds of “Crayons to Classrooms” in keeping with donor requirements
- 5) To engage the community and various agencies in a common mission to serve children in need throughout the greater Dayton area
- 6) To approve all policies developed for “Crayons to Classrooms”
- 7) To actively participate in the fundraising and development programs of “Crayons to Classrooms”
- 8) To attend regular meetings of the Board of Trustees
- 9) To review the monthly, quarterly, and annual financial statements and balance sheets of “Crayons to Classrooms”
- 10) To approve annual operating and capital budgets developed by the Executive Director
- 11) To review and approve reports of the Finance and Operations Committee, the Executive Committee, the Governance and Nominating Committee, the Fundraising and Development Committee, the School and Community Relations Committee, and the Retail Donations Committee of the Board of Trustees
- 12) To approve individual expenditure items outside the budget recommended by the Executive Director
- 13) To elect and appoint trustees and committee members as appropriate
- 14) To hire, evaluate, and terminate the Executive Director in conjunction with good business practices
- 15) To annually assess the mission effectiveness and stakeholder satisfaction with “Crayons to Classrooms”
- 16) To annually report to stakeholders, including participating teachers, schools, school districts, and donors on the mission effectiveness, accomplishments, ongoing challenges, and financial conditions of “Crayons to Classrooms”

Figure 3 below presents a visual representation of the recommended Governance and Advisory Structure for “Crayons to Classrooms.”

Figure 3
Governance and Advisory Structure for
“Crayons to Classrooms”



C) **Formal Board Committees** – It is recommended that the Board of Trustees for “Crayons to Classrooms” have three formal committees, including an Executive Committee, a Finance and Operations Committee, and a Governance and Nominating Committee. It is further recommended that these committees be limited to trustee participation comprising part of the governance structure of the organization.

1) **Executive Committee** – It is recommended that the Executive Committee consist of a Chairperson, Vice Chair, Secretary, and Treasurer elected by their peers annually. Responsibilities of the Executive Committee may consist of the following:

- a) To facilitate communication among the trustees, their board committees, and advisory committees to serve the purposes of the organization
- b) To act on behalf of the Board of Trustees on those items that cannot be deferred to a regular trustee meeting in those months in which trustees do not have plenary meetings
- c) To make recommendations to the Board of Trustees on special issues of concern providing an initial review of challenges, plans, and financial matters facing the organization
- d) To serve as the agent of the Board of Trustees in evaluating and hiring the Executive Director
- e) To decide upon the compensation of the Executive Director in consultation with the Board of Trustees
- f) To act as the personnel committee reviewing personnel practices, policies, handbooks, etc.
- g) To serve as a grievance review committee as appropriate

2) **Finance and Operations Committee** – The Finance and Operations Committee may be responsible for the following:

- a) To provide review and analysis of financial statements, budgets, and other financial reports of the organization
- b) To provide oversight of findings in the annual audit to be performed by third party auditors
- c) To provide a source for review and evaluation of recommended capital improvements for facilities leased or owned by the organization
- d) To provide recommendations to the Board of Trustees for the selection and evaluation of any outside accounting or auditing firms hired by the organization
- e) To provide recommendations to the Board of Trustees for fiscal policies of the organization and the handling of donor intent on charitable gifts to the organization

- 3) **Governance and Nominating Committee** – The Governance and Nominating Committee may be responsible for the following:
- a) To research and cultivate a pool of potential candidates for balanced composition and representation on the Board of Trustees
 - b) To annually recommend a slate of candidates for the trustees and trustee committees for approval by the Board of Trustees
 - c) To recommend replacement of trustees for vacancies during a trustee’s term of office
 - d) To recommend a list of candidates for offices of trustees at the annual meeting
 - e) To conduct an annual orientation of new trustees
 - f) To facilitate an annual process for trustee evaluation
 - g) To provide ongoing trustee development for the roles, responsibilities, and governance expectations of the Board of Trustees
 - h) To facilitate revisions of the By-laws and Code of Regulations as appropriate

- D) **Advisory Committees to the Board** – It is further recommended that advisory committees be established to the Board of Trustees for “Crayons to Classrooms”. The purpose of these advisory committees will be to engage community leaders in the mission of the organization and to cultivate a future pool of prospective trustees.

Members of advisory committees are appointed for one year of service by the Board of Trustees. No limits on years of service are recommended for advisory groups. Each advisory committee is led by a member of the Board of Trustees. Advisory committees function in a consultative role only to the trustees and would not constitute part of the governance structure. The following advisory committees are recommended for consideration:

- 1) **Fundraising and Development Advisory Committee** – The Fundraising and Development Advisory Committee will be responsible for providing advice and expertise to the Board of Trustees and Executive Director on the fundraising and development strategy of the organization, including the following:
- a) Major gifts and deferred giving programs
 - b) Donor intent
 - c) Donor relations
 - d) Capital and endowment campaigns
 - e) Annual gifts
 - f) To provide guidance and access to potential donors capable of significant financial contributions to the organization
 - g) To participate as appropriate in the interview process for any fundraising professionals or firms hired by “Crayons to Classrooms”

- h) Based on individual ability, to participate in major gifts and capital campaign programs of the organization by identifying donors and participating in the solicitation process
- i) To review and evaluate all fundraising processes of the organization, including case statements, campaign timetables, gift schedules, etc. for the reasonableness and potential success
- j) To provide guidance to the Executive Director in developing a Donors Hall of Fame

2) School and Community Relations Advisory Committee – The School and Community Relations Advisory Committee will be responsible for the following:

- a) To provide counsel and advise to the Board of Trustees and Executive Director regarding public relations and marketing plans of the organization
- b) To provide guidance to the Board of Trustees and Executive Director on the institutional identity and marketing practices of “Crayons to Classrooms”
- c) To provide advise to the Executive Director on community issues, communications issues, and related changes in operational leadership
- d) To review and evaluate key marketing and public relations materials of the organization, including web sites, collateral material, and other technology-based communications
- e) To provide guidance and access to key community organizations who are likely partners for “Crayons to Classrooms”
- f) To provide guidance and access to school districts throughout the Miami Valley who may be key clients of “Crayons to Classrooms”
- g) To provide general public relations and communications advice regarding the positioning and communications of “Crayons to Classrooms” to the larger public in the greater Dayton area

3) Retail Donations Advisory Committee – A Retail Donations Advisory Committee is envisioned to complete the advisory committee process. Since the major product lines of “Crayons to Classrooms” are donated products, this advisory committee is considered important for effective leadership of the organization. Members of the Retail Donations Advisory Committee will be responsible for the following:

- a) To provide access to major corporations and businesses within the greater Dayton area capable of donating goods and products to “Crayons to Classrooms”
- b) To provide feedback and advice to the Executive Director on the various product lines and product areas made available to teachers through “Crayons to Classrooms”
- c) To identify major contributors of products and services to “Crayons to Classrooms” who may serve as sponsors of key retail areas of the store

- d)** To provide assistance to the Executive Director in working with other stores and entities who rely on donated products and goods for joint purchases or receipt of large quantities of donated goods
- e)** To provide a source of advice and expertise on the appeal, attractiveness, layout, and functionality of the retail section of “Crayons to Classrooms”

XI. STAFFING STRUCTURE:

The following staffing structure for “Crayons to Classrooms” in Dayton, Ohio is based upon a review of staffing models of other Free Store organizations during the feasibility phase. A significant factor in determining the staffing structure has been the development of an operating partnership with Goodwill Industries. In addition to locating “Crayons to Classrooms” at the Goodwill Industries headquarters on Kuntz Road, it will also provide services on a fee basis, including:

- **Technology Support**
- **Accounting Services**
- **Shipping and Receiving Services**
- **Materials Handling Services in the Warehouse**

The following staffing structure will likely take “Crayons to Classrooms” in Dayton, Ohio through a five-year operating period without substantial change. Figure 4 which follows is a visual representation of the staffing structure for “Crayons to Classrooms”.

- A) Executive Director** – “Crayons to Classrooms” will require the full-time services of an Executive Director. This position will serve as the chief administrator of the operation. He/she will specifically be responsible for:
- 1) **Soliciting ongoing corporate gifts in support of “Crayons to Classrooms”, including cash and donated goods.**
 - 2) **Soliciting ongoing individual gifts in support of “Crayons to Classrooms”, including cash and donated goods**
 - 3) **Managing and overseeing all special programs for collecting and distributing donated goods through major campaigns, such as the School Box Program.**
 - 4) **Actively participating in the Kids in Need network of Free Stores organized through SHOPA.**
 - 5) **Participating in meetings of the Board of Trustees and preparing materials for the trustees and all working committees in advance of their work sessions.**
 - 6) **Serving as the organization’s chief spokesperson to the community, media, and participating school districts.**
 - 7) **Approving and overseeing the purchase of basic school supplies from major national chains for distribution at “Crayons to Classrooms”.**
 - 8) **Approving the participation of “Crayons to Classrooms” in major acquisition programs with other stores in the Kids in Need network and other recycling entities of the community.**
 - 9) **Overseeing all budget operations, including budget development, financial statements, and balance sheets.**
 - 10) **Coordinating all activities as appropriate to assure smooth operation working with Goodwill Industries of Greater Dayton.**
 - 11) **Working with local school districts to increase outreach and knowledge of “Crayons to Classrooms” in local communities.**

- 12) **Serving as the major strategic partner with other charitable organizations having similar goals for common programming areas.**
- 13) **Overseeing all donor recognition activities in support of “Crayons to Classrooms”.**
- 14) **Negotiating all major contracts related to implementing the organization’s priorities working with vendors as appropriate.**

B) Retail Program Manager – A Retail Program Manager is envisioned for “Crayons to Classrooms”. This position will serve as the major “out front” role inside the retail store during the hours of operation and during re-stocking periods. He/she will specifically be responsible for:

- 1) **Organizing all display layouts at the direction and supervision of the Executive Director.**
- 2) **Organizing special store promotional and sponsored areas working with donors.**
- 3) **Overseeing all input to the inventory and customer database system of “Crayons to Classrooms”.**
- 4) **Solicitation of product donations for retail store.**
- 5) **Training and coordinating all volunteers serving in the retail operation of “Crayons to Classrooms”.**
- 6) **Working with the Warehouse Manager on inventory and re-stocking supplies on a daily basis.**
- 7) **Qualifying schools and teachers for their eligibility to participate in “Crayons to Classrooms” programs.**
- 8) **Monitoring shopping trip data to determine significant trends in improved management of “Crayons to Classrooms”.**
- 9) **Working with teachers individually and collectively to better understand their needs for future classrooms resources assisting in their mission.**
- 10) **Coordinating educational programs which occur in “Crayons to Classrooms” with other common recyclers and community service agencies sharing a common mission.**
- 11) **Speaking to teacher groups, volunteer groups, and parent groups on behalf of “Crayons to Classrooms” at the direction of the Executive Director.**

C) Warehouse Manager – “Crayons to Classrooms” will also be served by a Warehouse Manager. He/she will specifically be responsible for:

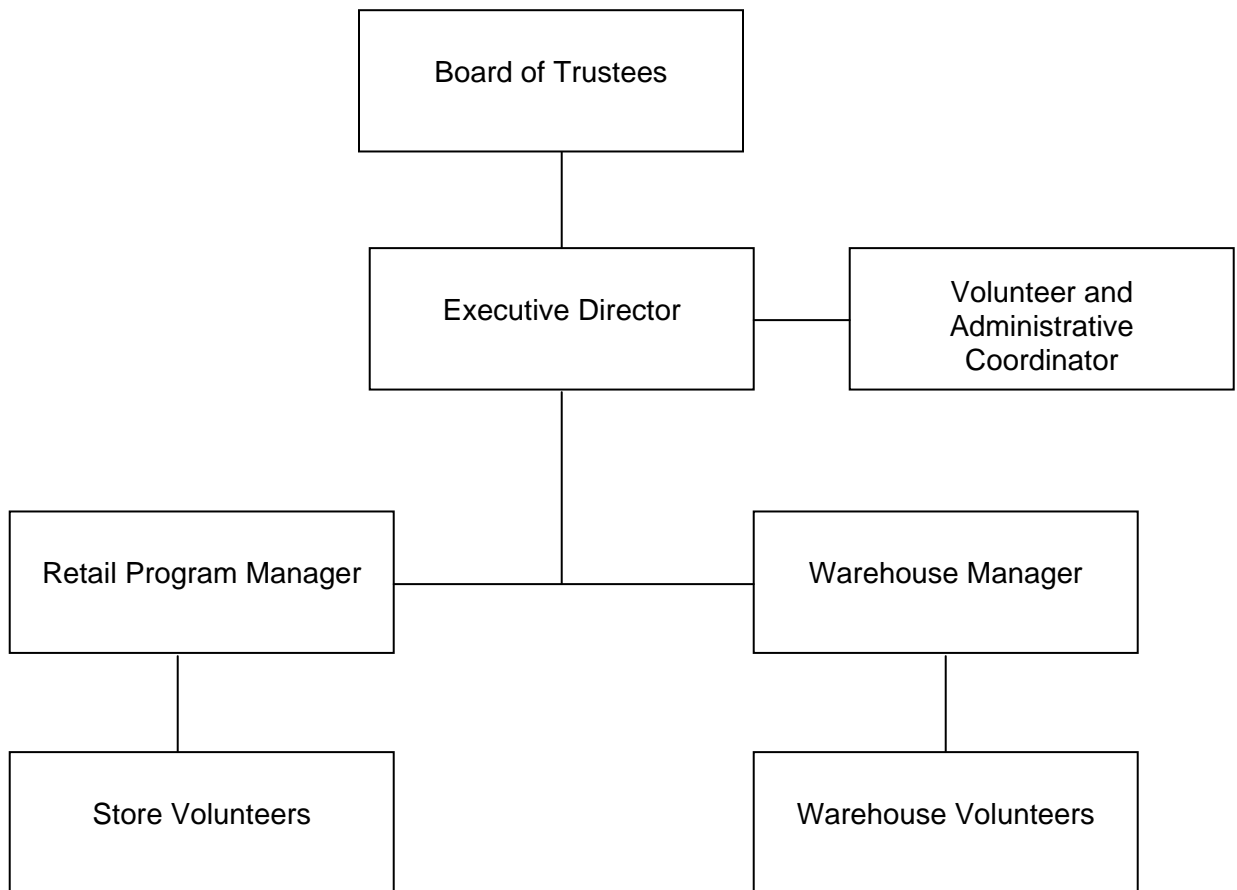
- 1) **Developing and maintaining an inventory management system consistent with the inventory and customer database purchased for “Crayons to Classrooms”.**
- 2) **Overseeing all safety policies, guidelines, and warehouse compliance with safety and OSHA standards of operation.**
- 3) **Maintaining a license as a forklift operator.**

- 4) **Coordinating shared inventory management and exchange programs with other stores and recyclers within and beyond the community.**
- 5) **Coordinating all shipping, receiving, and warehouse materials handling services with Goodwill Industries.**
- 6) **Training all volunteers serving in the warehouse.**
- 7) **Determining the acceptability of large donated lots of contributed goods from corporate donors within and beyond the community.**
- 8) **Identifying and recommending major purchases of inventory items within the budget for distribution in the store.**
- 9) **Setting recorded values of all donated goods for the purpose of determining their income and expense value on the financial statements.**

C) Volunteer and Administrative Coordinator – “Crayons to Classrooms” will also be served by a Volunteer and Administrative Coordinator who primarily works for the Executive Director, but also supports the Retail Program Manager and Warehouse Manager. He/she will be specifically responsible for:

- 1) **Recruiting all volunteers for retail and warehouse operations.**
- 2) **Managing all incoming telephone calls to the store.**
- 3) **Providing all clerical support to the Executive Director and management staff.**
- 4) **Organizing financial information for distribution to Goodwill Industries in maintaining accounting records.**
- 5) **Maintaining all vendor records and purchase orders of the store.**
- 6) **Overseeing the purchasing of promotional items and services as directed by the Executive Director.**
- 7) **Implementing all direct mail programs and overseeing their distribution to a third party mailer as appropriate.**
- 8) **Providing all data entry to the inventory and customer data system established for the store.**
- 9) **Coordinating all meetings as requested with staff, donors, volunteers, and members of the Board of Trustees.**
- 10) **Maintaining formal Board Minutes and files of the organization.**
- 11) **Printing and distributing all meeting agendas and materials as requested by the Executive Director for staff, Board, volunteer, and partner meetings as appropriate.**

Figure 4
Staffing Structure for “Crayons to Classrooms”



XII. FUNDING PARTNERSHIP MODEL:

It is anticipated that “Crayons to Classrooms” will require an initial start-up funding campaign of \$1.2 million to support the organization during its first three years of operation and provide adequate time for “ramp-up” to full leadership by the Executive Director and the Board of Trustees.

Of the estimated \$1.2 million for start-up costs, \$300,000 will be devoted to capital improvements of facilities owned and operated by Goodwill Industries at their Kuntz Road headquarters. In addition, \$300,000 per year for three years is anticipated for operational expenses which include some purchase of goods to be distributed through the store to fill the gaps for items that may not be received through donations.

In addition to the \$1.2 million of financial support for “Crayons to Classrooms” in the first three years of operation, it is expected that the store will also generate an average of approximately \$1.28 million per year in donated goods and supplies during the first five full years of store operation or \$6.4 million over five years. These goods and supplies will be available for direct distribution to teachers in eligible schools and school districts throughout the greater Dayton area.

A) Initial Fundraising Prospects – As a result of the feasibility study, the following initial fundraising prospects have been identified who may have an interest in contributing through a three-year pledge toward the \$1.2 million goal of establishing “Crayons to Classrooms” in the greater Dayton area. Solicitation of these founding partners is recommended during the implementation phase.

- **Anthem Blue Cross & Blue Shield**
- **The Berry Company**
- **The Berry Foundation**
- **CareSource**
- **Chase Bank**
- **The Dayton Foundation**
- **Delphi Chassis**
- **Fifth Third Bank**
- **General Motors**
- **The Iddings Foundation**
- **Key Bank**
- **The Kramer Foundation**
- **The Kroger Corporation**
- **Lexis Nexis**
- **The Levin Family Foundation**
- **The Mathile Family Foundation**
- **The Mazer Family Foundation**
- **McGohan Brabender & Associates**
- **Mead Westvaco**
- **NCR Corporation**
- **National City Bank**
- **NewPage Corporation**
- **The Tait Foundation**
- **The Miller Foundation**
- **Procter & Gamble (IAMS)**
- **Relizon**
- **Standard Register Company**
- **Target Stores**
- **United Healthcare**

B) Sources of Donated Products and Inventory Items – In addition to cash donations for the initial operation of “Crayons to Classrooms”, products and inventory solicitation will be a primary responsibility of the Executive Director. The following sources have been initially identified as potential sources of products and inventory items to be carried by “Crayons to Classrooms”.

- **Appleton Paper**
- **“Crayons to Computers” in Cincinnati, Ohio (purchase and exchange of learning kits and incentive products)**
- **Antioch Publishing**
- **Eastman Kodak**
- **Goodwill Industries (production of learning kits and incentive products)**
- **Kroger**
- **Mazer Publishing**
- **Mead Westvaco**
- **Meijer**
- **Montgomery County Materials Re-use Facility (McMurf)**
- **Office Depot**
- **RIS Paper**
- **Salem Office Supply**
- **SHOPA/Kids in Need Foundation (national purchases of basics, including pencils, crayons, glue sticks, pens, markers, and filler paper)**
- **Standard Register**
- **Staples**
- **Target Stores**
- **Think Patented**

C) Individual Donors – As part of the ongoing fundraising and development strategy of “Crayons to Classrooms”, individual donors will play an increasingly more prominent role in the development of the store in the greater Dayton area. The ability to collect donated goods from individuals through a network of 26 drop-off locations of Goodwill Industries is a significant market advantage for “Crayons to Classrooms”.

It is expected that the current School Box Program may be expanded to include individual donors by establishing a system for donations through this network of pick-up and drop-off sites. Additionally, individual donors will be solicited for cash donations to the Free Store, especially through churches, youth serving organizations, and other school districts through their parent/teacher organizations seeking partnerships between urban and suburban schools to provide needed resources for urban children.

The individual donor strategy is likely to begin with an expansion of the School Box Program by the end of the second year which will lead to further cash donation strategies for individuals to “Crayons to Classrooms” in successive years of store operation.

XIII. “CRAYONS TO CLASSROOMS FIVE-YEAR FINANCIAL FORECAST:

As part of the feasibility analysis, a five-year financial forecast was prepared for “Crayons to Classrooms” in Dayton, Ohio. The five-year financial forecast which follows is based on the following set of assumptions for income and expenses.

A) Income-related Assumptions

- 1) It is anticipated that a founder’s campaign will be established to raise \$300,000 for three years or a total of \$900,000 for operating expenses to launch “Crayons to Classrooms”.
- 2) It is anticipated that as part of the founder’s campaign, an additional \$300,000 will be raised for capital improvements to the current store and warehouse facility at Goodwill Industries on Kuntz Road.
- 3) It is projected that the School Box Program of the SHOPA/Kids in Need Foundation which is a local program in Dayton, Ohio may be managed by “Crayons to Classrooms” beginning in fiscal year 2008. This will contribute potentially a break-even or positive cash flow taking into account related income and expenses.
- 4) In the accounting for many Free Stores, donated goods are booked as income (value) annually related to their valuation by the store to determine the real size of the financial impact of the store in local communities.
- 5) At the end of five years of operation, at the close of FY 2012, the financial model illustrates “Crayons to Classrooms” with a possible cash reserve of \$419,576. This is approximately 3.8% of the total income, including in-kind donations. SLA believes that since the project is the start-up of a new organization, a possible margin of error is helpful to assure the stability of “Crayons to Classrooms”. This reserve could be designated to endowment in 2012 to further secure the store’s future. It is also the case that in 2011 or 2012, Goodwill Industries will move from its Kuntz Road location. It is expected that “Crayons to Classrooms” may be an integral partner in their future building scenario. A move to a new location could incur considerable expenses during the first five years of operation which cash reserves could offset.

B) Expense-related Assumptions

- 1) Net operating costs for “Crayons to Classrooms” are anticipated to be approximately \$371,500 per year based on a full fiscal year of operations in 2008. To determine this number, the following expense areas were backed out of the five-year financial forecast:
 - **School Box Program expenses (potential program transfer from national foundation)**
 - **Value (cost) of goods distributed annually**

This represents a true net cost of operations comparison for “Crayons to Classrooms”.

- 2) The Goodwill facility lease and utilities are booked as an expense based on their anticipated value. These are offset by a corresponding income line representing the value of these contributed services by Goodwill Industries.
- 3) In many Free Store operations, the cost of goods distributed (given away for free to teachers) are booked as an expense offsetting their corresponding donated value which appears as income on their financial statements. This is done to determine the true size and scope of Free Store operations and the value of goods distributed to their communities.

"Crayons to Classrooms" Five-Year Financial Forecast

		2007	2008	2009	2010	2011	2012	6-Year Total
Income:								
Founders Operating Pledges (3 years)		200,000	400,000	300,000	-	-		900,000
Founders Capital Pledges		200,000	100,000	-	-	-		300,000
Corporate Donations (Other)		-	80,000	200,000	280,000	325,000	350,000	1,235,000
Individual Donations		-	6,000	10,000	12,000	16,000	22,000	66,000
Foundation Support/Grants		-	10,000	12,000	12,000	14,000	25,000	73,000
Gifts In-Kind/Product Donations		150,000	1,000,000	1,200,000	1,500,000	1,700,000	1,900,000	7,450,000
Goodwill Contributed Services		7,500	30,000	30,900	30,900	30,900	30,900	161,100
School Box Program Donations		-	130,000	135,000	140,000	145,000	150,000	700,000
Other Special Events and Programs		-	10,000	12,000	12,000	14,000	20,000	68,000
		-	-	-	-	-		-
	Total Income	557,500	1,766,000	1,899,900	1,986,900	2,244,900	2,497,900	10,953,100
Expenses:								
Employee Salaries		20,000	180,000	184,650	189,440	194,372	200,000	968,462
Employee Taxes and Benefits		7,500	63,000	64,628	66,304	68,030	72,000	341,462
Goods Distributed (value)		-	500,000	1,100,000	1,400,000	1,600,000	1,800,000	6,400,000
Product Purchases		5,000	30,000	35,000	38,000	40,000	60,000	208,000
Leaseholder Improvements		-	300,000	5,000	5,000	5,000	5,000	320,000
Advertising/Marketing		3,000	3,000	3,500	3,500	4,000	6,000	23,000
Warehouse Support (Goodwill)		-	5,000	5,000	6,000	7,000	8,500	31,500
Technology Support (Goodwill)		1,000	2,000	2,000	2,000	3,000	3,500	13,500
Accounting Support (Goodwill)		2,000	5,000	6,000	7,000	8,000	9,000	37,000
Outside Legal, Accounting, and Insurance		12,000	20,000	21,000	22,000	24,000	24,000	123,000
School Box Program		-	125,000	130,000	135,000	140,000	140,000	670,000
Goodwill Facility Lease and Utilities (Value)		7,500	30,000	30,900	30,900	30,900	30,900	161,100
SHOPA Membership, Conference Fees, Training, & Travel		4,000	6,500	6,500	7,500	7,500	7,500	39,500
Donor Recognition		3,000	3,000	3,000	3,000	3,000	4,000	19,000
Volunteer Development		2,000	2,000	2,000	2,000	2,000	3,000	13,000
Furnishings and Equipment		-	2,000	2,000	2,000	2,000	2,000	10,000
Freight and Transportation		3,000	20,000	20,000	20,000	20,000	22,000	105,000
	Total Expenses	70,000	1,296,500	1,621,178	1,939,644	2,158,802	2,397,400	9,483,524
	Net Income/Loss	487,500	469,500	278,722	47,256	86,098	100,500	1,469,576
	Less Inventory Surplus	150,000	500,000	100,000	100,000	100,000	100,000	1,050,000
	Annual Cash Balance/Reserves	337,500	(30,500)	178,722	(52,744)	(13,902)	500	419,576