ARKANSAS ALLIANCE OF RECOVERY RESIDENCES

Opening a **Recovery Residence.**

Every step, every cost, and every Arkansas resource you need to open a recovery residence and earn AARR certification — free.

STARTUP TOOLKIT · EDITION 2 · JUNE 2026

NARRARKANSAS.ORG

Chapters.

A NOTE BEFORE YOU BEGIN

Why this toolkit exists.

If you're reading this, addiction has probably touched your life. Maybe you're in recovery yourself. Maybe you lost someone, or watched someone you love claw their way back — and now you want to build the kind of place that would have helped them.

Opening a recovery residence is one of the most meaningful things a person can do. It's also hard. It takes more money, time, and paperwork than most people expect. But it does **not** take thousands of dollars in consulting fees, and you do not have to figure it out alone.

This toolkit exists because too many good Arkansans have been charged thousands of dollars by outside consultants for information AARR provides for free. That stops here. What follows is every step, every cost, and every resource you need to open a recovery residence in Arkansas and earn AARR certification.

We built this for the person on minimum wage who took out a loan to help their community, for the ministry running on faith, and for the family member with more heart than spreadsheets. You need this toolkit, some patience, and AARR on the other end of the line. Questions at any point? Email info@narrarkansas.org.

Welcome to the work. — The Arkansas Alliance of Recovery Residences

How to use this toolkit

Six short chapters, each ending with a checklist. Read it cover to cover, or jump to where you are right now.

> **Please note.** This is a roadmap, not legal or tax advice, and not a guarantee of certification. When you hit something that needs a professional — taxes, zoning, employment law — we point you to free or low-cost Arkansas help. Please use it.

CHAPTER 1

Is this right for you?

Before you spend a single dollar, read this honestly. Arkansas needs recovery residences — that's not the question. The question is whether you're in a position, right now, to run one well.

An honest self-assessment

A recovery residence is not a business with a predictable return. It's a calling with heavy responsibility and thin margins. Sit with these questions.

Personal readiness

- If you're in recovery yourself, how long has it been? AARR recommends at least two years of sustained recovery before leading a residence.
- Do you have a support system outside the people you'll serve? Operators who lean on residents for their own support struggle — and residents suffer.
- Are you willing to call 911, file incident reports, ask someone to leave, and have hard conversations with neighbors? These aren't rare events. They're the job.

Practical readiness

- Do you have 10–20 hours a week for the next 6–12 months for setup (paperwork, meetings, property, policies)?
- Can you raise $3,000–$5,000 in startup capital before rent and furnishings? Certification fees alone won't open a house.
- Do you have a second income or savings cushion? Many small residences run near break-even their first two years.
- Do you have someone with basic bookkeeping skills, or can you hire it out? Funders and the IRS will require it.

Community readiness

- Have you asked your local drug court, probation office, and peer organizations whether there's real demand in your area?
- Have you checked zoning where you want to operate? (Chapter 3.)
- Do you have at least one other committed person to help carry the load?

The four NARR levels of support

Before you build anything, decide what kind of residence you'll run. NARR defines four levels, each with different staffing, cost, and oversight.

LEVEL	WHAT IT MEANS
Level I	Peer-run and democratic. Usually no paid staff — residents govern themselves. Lowest cost.
Level II	Monitored. A house manager or senior peer, structured rules. Moderate staffing and cost.
Level III	Supervised. Paid staff, administrative oversight, case management. More formal, higher cost.
Level IV	Service-provider. Licensed or credentialed clinical services on-site. Highest cost and oversight.

Most new Arkansas operators start at **Level II** — it's the most common model, the most practical to staff, and the one that fits how Arkansas funding (ARORP, SOR sub-grants) is usually structured.

Chapter 1 checklist

- ☐ I have at least two years of sustained recovery (if in recovery myself).
- ☐ I have at least one other committed team member or co-founder.
- ☐ I've had an honest conversation with a certified operator or recovery professional.
- ☐ I've decided which NARR level I'll pursue.
- ☐ I have a realistic picture of 12-month startup cost and my own financial runway.

CHAPTER 2

Forming your organization.

You can run a recovery residence as a for-profit business, a faith-based ministry, or a nonprofit. For most Arkansans pursuing AARR certification, a 501(c)(3) nonprofit is the common choice because it unlocks grant funding (including ARORP and SOR-adjacent dollars) and tax-exempt status. This chapter walks the nonprofit path. If you choose a different structure, that's fine — have an accountant or attorney advise you, then skip to Chapter 3.

The nonprofit steps, in order

1. **Choose and clear a name.** Search the Business Entity tool at sos.arkansas.gov. Your name must be distinct from existing Arkansas entities, and avoid words that imply licensure you don't have (like "Clinic" or "Medical").
2. **Appoint a registered agent.** The person or service that receives legal mail, with a physical Arkansas address. You can be your own agent for free, or pay a service ($100–$300/year).
3. **File Articles of Incorporation.** Online through the Arkansas Secretary of State (**$45 online / $50 by mail**). Use the nonprofit template, and include the IRS-required purpose and dissolution clauses — without them the IRS will reject your 501(c)(3).
4. **Draft bylaws.** Your internal rulebook. Not filed with the state, but the IRS and banks will ask. Cover board makeup and terms, officer roles, meetings and quorum, a conflict-of-interest policy, and how to amend.
5. **Get your EIN.** Your free tax ID from the IRS (irs.gov, about 10 minutes, issued instantly). You need it for a bank account and the 501(c)(3).
6. **Hold your first board meeting.** Adopt the bylaws, appoint officers, approve the conflict-of-interest policy, and authorize a bank account. Keep minutes — you'll need them.
7. **Open a bank account.** Bring your Articles, EIN letter, bylaws, and board resolution. Never mix personal and nonprofit money — that's the #1 way small nonprofits get into IRS trouble.
8. **Apply for IRS 501(c)(3) status.** For most small new residences this takes a weekend (see below).
9. **Register for charitable solicitation.** If you'll ask the public for donations, register with the Arkansas Secretary of State's Charities Division (free for most small nonprofits; annual reporting required).

Which IRS form?

FORM	WHO IT'S FOR
Form 1023-EZ	Most small new nonprofits (projected receipts under $50,000, assets under $250,000). Filed online. Fee about **$275**. Decision in weeks.
Form 1023 (full)	Larger organizations, or those that don't qualify for the EZ. Filed online. Fee about **$600**. Decision in 3–6 months or more.

Most small Arkansas residences qualify for the 1023-EZ. Use the Eligibility Worksheet in the form instructions to confirm before filing.

> **Stuck on the legal side?** Free help in Arkansas: Legal Aid of Arkansas (1-800-9-LAW-AID, arlegalaid.org), the UA Little Rock Bowen School of Law pro bono clinics (ualr.edu/law), and Arkansas Access to Justice (arkansasjustice.org). The Arkansas Community Foundation (arcf.org) has nonprofit startup resources.

Chapter 2 checklist

- [ ] Name cleared through the AR Secretary of State.
- [ ] Registered agent identified.
- [ ] Articles of Incorporation filed.
- [ ] Bylaws drafted and adopted.
- [ ] EIN obtained.
- [ ] First board meeting held, minutes kept.
- [ ] Bank account opened.
- [ ] IRS Form 1023-EZ (or 1023) filed.
- [ ] Charitable solicitation registered (if soliciting donations).

CHAPTER 3

Setting up operations.

With your organization formed, you turn to the house itself: property, zoning, insurance, the work of being a good neighbor, and the policies certification requires.

Property: rent, own, or be gifted?

PATH	WHAT TO KNOW
Rent	Lowest upfront cost. You'll need written landlord permission to operate recovery housing (AARR requires this in writing). Lease length matters — certification assumes some continuity.
Own	Requires capital or a mortgage most new nonprofits can't get. If you own it, AARR needs ownership proof (deed, title, or closing statement).
Donated / gifted	A building given by a church, family, or donor. Confirm the deed is clean and the organization — not an individual — is the owner or tenant of record.

Zoning and occupancy

Zoning is where good residences stall. Do this before you sign a lease.

- Call your city or county planning office and ask, specifically, whether a recovery residence is allowed in that property's zoning district.
- Under the federal Fair Housing Act and ADA, residents of recovery homes are generally a protected class, which limits a city's ability to ban recovery housing outright. Local occupancy rules still apply.
- If they try to block you on zoning, don't give up — call Legal Aid of Arkansas. This fight recurs across the state, and the case law is on your side.
- Get a certificate of occupancy if your jurisdiction requires one.

Insurance

Insurance is non-negotiable. AARR certification requires active Commercial General Liability coverage for every residence, shown by a Certificate of Insurance (ACORD). Rough budget:

- **Commercial General Liability:** about $1,000–$2,500/year per residence for a small Level II home in Arkansas.
- **Directors & Officers (D&O):** about $500–$1,500/year. Strongly recommended for your board.
- Property insurance if you own; commercial auto if the residence operates a vehicle.

The good-neighbor principle

NARR Standard 3.0 treats good-neighbor practices as a core part of the standards. How your home shows up in the neighborhood decides whether you survive year one.

- Introduce yourself to immediate neighbors before residents move in, and give them a number to call with concerns.
- Manage parking proactively — parking is the #1 neighbor complaint against recovery homes nationally.
- Keep the exterior (yard, trash, noise) better than the neighborhood average, not just equal to it.
- Keep a written good-neighbor policy, post it, and enforce it. (AARR provides a template.)

The policies you'll need

AARR certification is built on written policies in three buckets: organization and verification documents, staff policies, and your resident handbook. AARR gives you templates for all of them. The core staff and resident policies include:

- **Organization & staff:** mission and vision, nondiscrimination, NARR Code of Ethics, staff roles and boundaries, social media, overdose response, records and confidentiality, drug-screening, good neighbor, and peer-leadership roles.
- **Resident handbook:** resident agreement, rights and rules, fees and refunds, grievance, personal property, recurrence-of-use, medication, drug testing and search, smoking, contagious disease, and emergency contacts.

> **A note on medication (MAT/MOUD).** AARR and NARR support Medication-Assisted Recovery. Your home should not refuse residents just because they take prescribed medication for opioid use disorder, such as buprenorphine or methadone. Blanket bans can violate the Fair Housing Act and ADA and disqualify you from most state and federal funding. Your medication policy should cover safe storage and use — not a ban by drug class.

Chapter 3 checklist

- [ ] Property secured (lease, deed, or written gift).
- [ ] Written landlord permission for recovery use (if renting).
- [ ] Zoning confirmed with the local planning office.
- [ ] Certificate of occupancy obtained (if required).
- [ ] Commercial General Liability active, ACORD in hand.
- [ ] Immediate neighbors met, contact info exchanged.
- [ ] Staff policies and resident handbook drafted (use AARR templates).

CHAPTER 4

The AARR certification pathway.

AARR is the NARR state affiliate for Arkansas. Certification tells referral sources, funders, and residents that your home meets NARR Standard 3.0. Here's exactly how it works — and it's simpler than it used to be.

The steps, in order

1. **Make sure you're ready.** Use Chapters 1–3. You generally need an operating home, a legal structure, insurance, property permission, and draft policies.
2. **Click "Get Certified" at narrarkansas.org.** Fill out the short, free application online. There's nothing to pay and no account to create — it takes a few minutes.
3. **AARR will contact you.** We'll reach out when it's your turn to begin.
4. **Prescreen conversation.** A free 30–45 minute call to review where you are, confirm readiness, and name the gaps to close before certification can succeed.
5. **AARR online training.** Complete AARR's free online operator training. It walks you through NARR Standard 3.0 and what a strong application looks like.
6. **Document review.** Submit your organization documents, staff policies, and resident handbook. AARR reviews them against NARR Standard 3.0 and works with you on edits. Revision cycles are normal.
7. **On-site visit.** AARR inspects each home against the NARR Standard 3.0 physical-environment and operations standards.
8. **Certification decision.** After a successful review and visit, you receive your certification determination.

> **Free templates.** To get AARR's free Model Policy & Procedure Manual, Resident Handbook, and Staff Handbook templates, email info@narrarkansas.org and ask. Starting from strong templates is the single biggest thing that speeds up certification.

The fees

AARR's fees are simple and all go to AARR — there are no middlemen.

WHEN	FEE
Application	**$150**
Organizational credentialing	**$300**
Per home certified	**$200**

A single-home organization pays about $650 total. Fees are subject to AARR's current approved fee schedule.

How long it takes

- From first contact to final certification, most new Level II organizations take about **2–4 months**.
- The slow part is usually not AARR — it's how long it takes the applicant to produce policies, insurance, and property documents. The templates and training are there to speed you up.

Chapter 4 checklist

- [ ] Submitted the "Get Certified" application at narrarkansas.org.
- [ ] Completed the prescreen conversation.
- [ ] Completed AARR online training.
- [ ] Organization documents, staff policies, and handbook submitted.
- [ ] Fees budgeted.
- [ ] On-site visit scheduled and completed.

CHAPTER 5

Funding realities.

Short, honest, and important: where the money really comes from, where it doesn't, and how to stay grant-ready.

Where Arkansas residences actually get revenue

SOURCE	REALITY
Resident program fees	The largest, most dependable stream for most homes — typically $150–$200 per week per resident at Level II. Collect consistently. Don't price out your population, but don't subsidize at a rate that sinks you.
ARORP peer/housing funding	The Arkansas Opioid Recovery Partnership administers peer and housing support dollars — one of the most accessible near-term pipelines. Ask their team about current eligibility (arorp.org).
DHS SOR sub-grants	State Opioid Response dollars flow through DHS. Sub-recipient opportunities exist but require grant-ready infrastructure (accounting, REDCap reporting, compliance).
Donations & faith support	Many Arkansas homes, especially rural and faith-based, run partly on community giving. Small and steady beats large and one-time.
AARR resident support fund	AARR administers a limited fund that can help cover application fees and other barriers for individuals. Ask about current availability.

Where it does not come from

- **Insurance reimbursement for housing.** Health insurance generally won't pay for housing itself. Billing clinical services from a home requires separate clinical licensure.
- **Fast scale.** The math doesn't reward rushing. Operators who open four houses before running one well usually fail financially — and residents get hurt.
- **A federal check.** No federal program pays a newly certified home directly; federal dollars flow through the state (DHS) and require grant work.

Build grant-readiness now

- Basic bookkeeping in QuickBooks or similar, with revenue separated by source.
- Clean, dated board minutes and a board-approved annual budget.
- Written financial policies (purchasing, reimbursement, bank reconciliation).
- Simple outcome tracking — residents served, length of stay, employment at exit — in a method compatible with state reporting (DHS uses REDCap).

Chapter 5 checklist

- ☐ Resident fee structure set and written.
- ☐ Contacted ARORP about peer/housing eligibility.
- ☐ Basic bookkeeping system in place.
- ☐ Board-approved annual budget.
- ☐ Written financial policies.
- ☐ Basic outcome tracking started.

CHAPTER 6

Staying certified & what AARR gives you.

Certification isn't a finish line — it's an ongoing relationship between your home, AARR, and your community.

What staying certified requires

- Recertification review every two years (AARR will contact you).
- Current insurance on file — update AARR when your ACORD renews.
- Current policies — update AARR when you make significant changes.
- Incident reporting per your policies and any funder requirements.
- Continued compliance with the NARR Code of Ethics, and cooperation with AARR audits or complaint investigations.

What AARR provides — all free

- Certification and recertification.
- Policy and handbook templates, updated as NARR Standard 3.0 evolves (email info@narrarkansas.org to request them).
- The free prescreen and online operator training.
- Representation for Arkansas recovery residences at the state level — with DHS, the Legislature, and allied agencies.
- A limited resident support fund (ask about availability) and a statewide network of certified operators.

The Code of Ethics, at a glance

Every certified operator signs the NARR Code of Ethics. The core commitments:

- Honesty in marketing, claims, and representations.
- Nondiscrimination in admissions and operations.
- Resident dignity, privacy, and rights.
- Transparent finances, and no patient brokering, paid referrals, or kickbacks.

If something goes wrong

Homes are run by humans and serve humans in crisis. Things go wrong. The question is how you respond.

- Document everything, at the time — not after the fact.

- Tell AARR proactively when something significant happens. Don't let us learn it from a neighbor or the news.
- Use your grievance policy: take it seriously, document the response, close the loop.
- If you suspect another operator of unethical or illegal conduct — paid referrals, patient brokering, fraud — report it to AARR.

> **Predatory consultants.** If someone offers to walk you through AARR certification for a significant fee, they are not authorized by AARR. Tell us — with their name, what they offered, and what they charged. We use reports to warn other operators and, where warranted, coordinate with state consumer protection. Your name won't be shared publicly without your consent.

Chapter 6 checklist

- [ ] Recertification calendar set (two-year cycle).
- [ ] Incident reporting procedure working.
- [ ] Grievance procedure working.
- [ ] NARR Code of Ethics posted in the residence.
- [ ] A contact in place for reporting ethics or consumer concerns.

APPENDIX

Arkansas resource directory.

AARR — start here

Arkansas Alliance of Recovery Residences. The NARR state affiliate for Arkansas.
Email info@narrarkansas.org · Web narrarkansas.org · Mailing: 400 West Capitol Avenue, Suite 1700, Little Rock, AR 72201.

State & federal

RESOURCE	WHAT THEY OFFER
Arkansas Secretary of State	Business incorporation and charity registration. sos.arkansas.gov
Arkansas Dept. of Human Services (DHS)	State Opioid Response (SOR) funding oversight. humanservices.arkansas.gov
Arkansas Department of Health	Facility, zoning, and public-health questions. healthy.arkansas.gov
IRS	EIN and the 1023-EZ / 1023 applications. irs.gov
SAMHSA	Free publications, including TIP 57 (Trauma-Informed Care). store.samhsa.gov

Legal help (free & low-cost)

RESOURCE	CONTACT
Legal Aid of Arkansas	1-800-9-LAW-AID · arlegalaid.org
UA Little Rock Bowen School of Law	Pro bono clinics · ualr.edu/law
Arkansas Access to Justice	arkansasjustice.org
Center for Arkansas Legal Services	arlegalservices.org

Recovery, training & nonprofit help

RESOURCE	WHAT THEY OFFER
Arkansas Opioid Recovery Partnership (ARORP)	Peer and housing support funding. arorp.org
NARR (National Alliance for Recovery Residences)	Standards, a free 20-module training, and the national directory. narronline.org

RESOURCE	WHAT THEY OFFER
SAMHSA TIP 57	Trauma-Informed Care in Behavioral Health Services. store.samhsa.gov
Nonprofit Ready	Free courses in nonprofit management. nonprofitready.org
Arkansas Community Foundation	Nonprofit startup resources and a regional foundation network. arcf.org

Before you pay anyone — email AARR. Our guidance is free. Always. That's what being Arkansas's NARR state affiliate means.

Arkansas Alliance of Recovery Residences · info@narrarkansas.org · narrarkansas.org