

# Nonprofit Strategic Restructuring Initiative



To enable two or more organizations to consider establishing ongoing relationships with each other that increase efficiency and/or further programmatic missions.

## A bit of context.....

- ❑ Family foundation started in 1957
- ❑ Located in the Mid-Hudson Valley – awards grants in six counties between Westchester and Albany
- ❑ Assets of \$310,000,000
- ❑ Grantmaking in 2006 will be about \$16,800,00
- ❑ About 50% of grants in the Mid-Hudson, rest are to various national projects and family directed purposes
- ❑ Mid-Hudson Valley grants include general operating support, capital, project and a Management Assistance mini-grants program

# How we got started

- We had made several grants to aid in mergers or organizational consolidations
- We also were noticing several trends:
  - Increasing pressure for dollars
  - Organizations competing
  - Creation of new organizations
- Should we encourage organizations to explore new structures?
- Research and planning – 6 months
- In April 2004 announced availability of \$500,000 towards Strategic Restructuring grants

# Our Definition of Nonprofit Strategic Restructuring

.....two or more independent organizations establishing an ongoing relationship to increase their administrative efficiency and/or further their programmatic missions through shared, transferred, or combined services, resources, or programs. The range of strategic restructuring possibilities, from jointly managed programs and consolidated administrative functions to full-scale mergers, can help organizations reduce duplication of services, improve efficiency, make the most of limited resources, and increase financial stability.

# Guidelines

- 4 types of grants:
  - Assessment
  - Planning
  - Integration
  - Enhancement
- Applicant can apply for any or all – but not out of sequence
- Geographic eligibility
- No public entities or faith-based institutions

## The Dyson Foundation Nonprofit Strategic Integration Grants

The Foundation will consider merged or two or more organizations as a collaborative effort by

Examples of how these fit

- moving or closing
- integration of human resources

To apply for an Integration Grant, please complete the online form or fill out the application form at [map.dyson.org](http://map.dyson.org)

Applications are accepted on a rolling basis.

Grants are awarded on a case-by-case basis.

The Dyson Foundation

25 Halcyon Road

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845.677.0644 phone

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[info@dyson.org](mailto:info@dyson.org)

[www.dysonfoundation.org](http://www.dysonfoundation.org)

## The Dyson Foundation Nonprofit Strategic Planning Grants

The Foundation will consider organizations that have merged or two or more organizations as a collaborative effort by

Examples of how these fit

- hiring a consultant
- completion of executive financial

To apply for a Planning Grant, please complete the online form or fill out the application form at [map.dyson.org](http://map.dyson.org)

Applications are accepted on a rolling basis.

Grants are awarded on a case-by-case basis.

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## The Dyson Foundation Nonprofit Strategic Restructuring Initiative Funding Guidelines

To be eligible for funding through the Dyson Foundation's Strategic Restructuring Initiative, one or more of the collaborating organizations must be a 501(c)(3) nonprofit organization based in the Mid-Hudson Valley (Columbia, Dutchess, Greene, Orange, Putnam, and Ulster Counties). Mid-Hudson Valley-based nonprofit libraries and private schools are also eligible to apply. Funding from the Initiative is not available for individuals, government entities, or public school systems, and faith-based organizations and churches should inquire about our funding restrictions for faith-based organizations or programs.

There are four types of grants available: Assessment, Planning, Integration, and Enhancement Grants. Eligible organizations may apply for any one or more of these funding areas but the Foundation will not consider more than one request from an applicant (a single organization, or a collaborative) at the same time.

The Initiative was designed as a staged process to help an organization move from assessing the feasibility of strategic restructuring, to planning the restructuring and implementing the plan, to follow-up and enhancement. Applicants are not required to go through each funding stage, but we will not fund stages out of sequence. For example, we will not fund an applicant for implementation and then consider a proposal for assessment.

Financial support will be awarded based on a competitive review of the applications. The Dyson Foundation particularly encourages applications from organizations that:

- were founded less than 10 years ago;
- are in transition (e.g., significant growth, changes in staff or board leadership, reorganization, reduction in funding, or other similar circumstances);
- are local chapters or affiliates of larger national or state-wide organizations;
- exist in a community where two or more organizations are providing the same or similar services; and/or
- have undergone a strategic restructuring process within the last 12 months.

Each of the four types of grants available through the Initiative have slightly different application procedures, so be sure to read the specific guidelines for each. Applications will be reviewed on an on-going basis. Visit our website or call the Foundation to learn more.

Guidelines especially encourage proposals from organizations which may be:

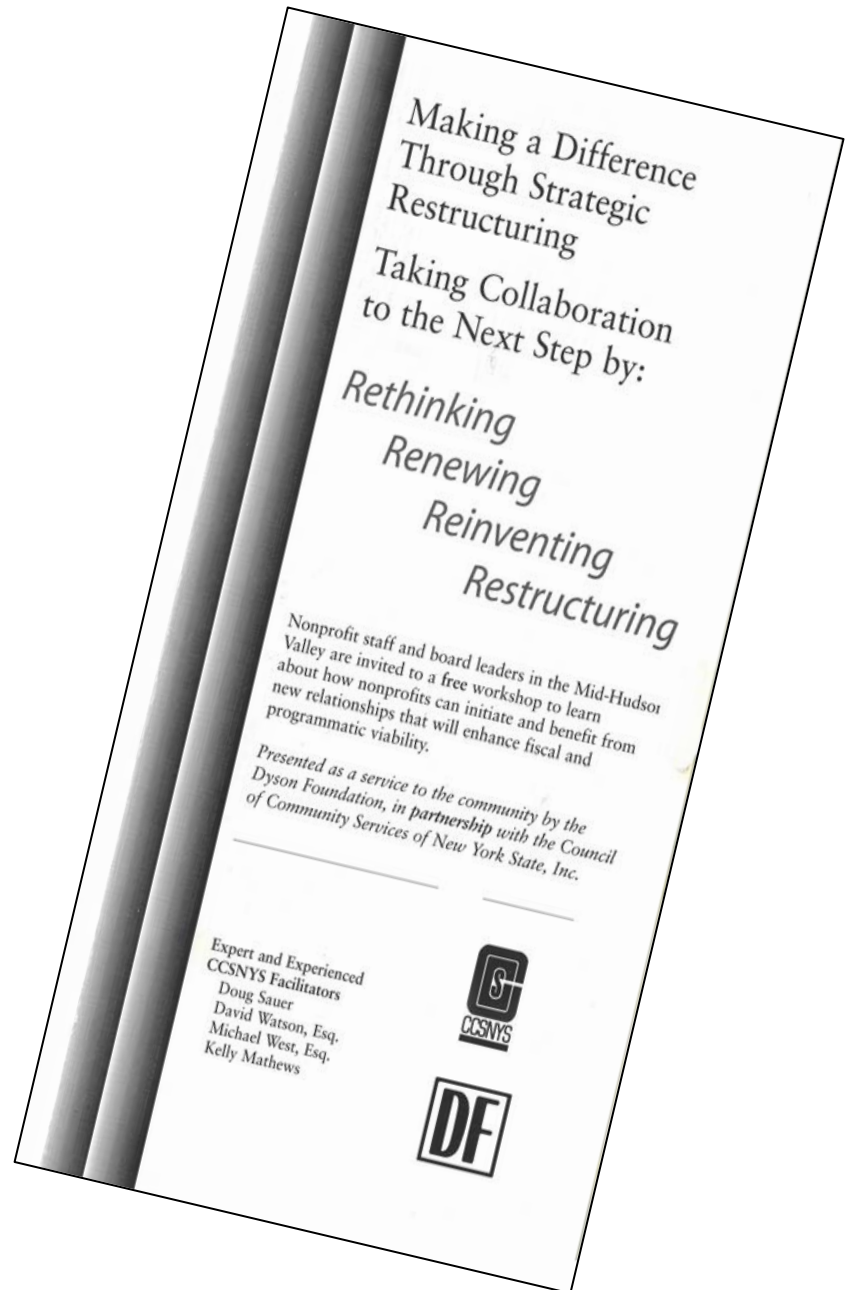
- Newer
- In transition
- Local chapters or affiliates of national or statewide groups
- Provide or are planning similar services to those already available in a community

# Four types of grants:

Assessment Grants	Up to \$10,000 1 organization	Initial stage activities: training, visiting a model organization, consultant
Planning Grants	Up to \$30,000 2+ organizations	Committed stage: legal, financial due diligence, work plans
Integration Grants	Up to \$35,000 2+ organizations	In process: moving, technology, marketing, HR
Enhancement Grants	Varied	General operating support, new staff, tech, equipment

# Communications

- ❑ Put all this information on our website
- ❑ Issued a press release
- ❑ Hired Council of Community Services of NYS to conduct a series of free workshops



## Workshop Dates, Locations, Times, and Registration Deadlines

These workshops are for nonprofit staff *and* board members. It is strongly suggested that nonprofit executives attend the workshops with members of their boards of directors.

**Cost:** free. Pre-registration is required.

### APRIL 26—KINGSTON

1:00 p.m. – 4:30 p.m.  
Cornell Cooperative Extension  
10 Westbrook Lane – Main  
Conference Room

**Registration deadline:** April 21

### APRIL 27 —CAIRO and HUDSON

**Cairo:** 8:30 a.m. – 12 Noon  
Emergency Preparedness Building  
25 Volunteer Drive – Training Room  
**Registration deadline:** April 22

**Hudson:** 1:00 p.m. – 4:30 p.m.  
Hudson Opera House  
327 Warren Street  
**Registration deadline:** April 22

### MAY 10 —POUGHKEEPSIE

5:30 p.m. (sandwiches); 6:00 p.m. – 9:30 p.m. (workshop)  
Poughkeepsie Grand Hotel  
40 Civic Center Plaza, Vassar Suite  
**Registration deadline:** May 5

### MAY 11—NEWBURGH and MAHOPAC

**Newburgh:** 8:30 a.m. – 12 Noon  
Mount Saint Mary College  
330 Powell Avenue, Aquinas Hall,  
Trustees Room  
**Registration deadline:** May 6

**Mahopac:** 2:30 p.m. – 6:00 p.m.  
Mahopac Public Library, Community Room  
668 Route 6  
**Registration deadline:** May 6

## Attend and learn about...

- The benefits, challenges and factors to consider in exploring and developing partnerships that require organizational restructuring.
- Strategic restructuring options including shared services, fiscal sponsorships, subsidiary corporations, joint ventures, merger, and combining or transferring programs.
- Tips and best practices related to making restructuring successful.
- The Dyson Foundation's new and innovative \$500,000 grantmaking initiative that is available to support strategic restructuring efforts.
- Opportunities for the exchange of ideas and Q & A time.

## Who should attend?

- Nonprofit leaders and stakeholders—whether employees, board members, donors or funders—who want to explore organizational alternatives, share experiences, or simply want to learn

## A Message from the Dyson Foundation About the Nonprofit Strategic Restructuring Initiative

**A**s part of the Dyson Foundation's ongoing commitment to strengthen Mid-Hudson Valley nonprofit organizations, the Nonprofit Strategic Restructuring Initiative provides information and funding for organizations considering or engaging in strategic restructuring.

From collaborations to full mergers, the range of strategic restructuring possibilities can help organizations reduce duplication of services, improve efficiency, make the most of limited resources, and increase financial stability. The Foundation believes that successful alliances result in communities that are better served and organizations that are stronger for the future.

The Dyson Foundation recognizes that restructuring efforts are not without expense. A fund of \$500,000 has been set aside for strategic restructuring projects and the following types of grants are available for different phases of the process:

- **Assessment grants** allow an organization to examine the feasibility of strategic restructuring through training, consultants, or other means of gathering information. *Up to \$10,000.*
- **Planning grants** assist organizations that have committed to forming an alliance or merger by defraying planning fees such as financial assessments, legal costs, and other planning fees. *Up to \$30,000.*
- **Integration grants** allow organizations to fully implement the alliance or merger by assisting with expenses such as office relocation and integration of technology, accounting, or human resource systems. *Up to \$35,000.*
- **Enhancement grants** provide follow-up support after strategic restructuring has taken place. Grants might be used for general operating or project support. *Grant amounts will vary.*

The Foundation's website ([www.dysonfoundation.org](http://www.dysonfoundation.org)) features resources for organizations in any stage of the process, including links to websites and articles on nonprofit alliances and mergers. The website also contains more information about the Nonprofit Strategic Restructuring Initiative, the four types of grants available, eligibility, and the application process. You may also call the Foundation to learn more. The Dyson Foundation, 25 Halcyon Road, Millbrook, NY 12545-9611. 845.677.0644 (p); [info@dyson.org](mailto:info@dyson.org).

# Results – Two years later...

- 17 letters of inquiry
  - 13 full proposals received
  - 2 waiting on full application
  - 1 declined
  - 1 withdrawn
- 9 funded projects
  - Assessment – 3
  - Planning – 3
  - Integration – 1
  - Enhancement – 1
- Total of \$192,000 funded
- All but one project has accomplished intended objectives

# Examples

- An assessment grant for 5 area arts groups to explore new strategic restructuring models and ideas in order to reduce administrative overhead, maximize current strengths and reduce duplication of services as they pertain to teaching art classes - \$35,000
- An integration grant pursuant to the full merger of two mental health organizations to pay for closing costs of one location and additional strategic planning - \$35,000

- Both an assessment and a planning grant for a local Arts Council to merge with a community arts center totaling \$40,000. Funds have been used for initial feasibility study, legal costs, and joint business plan development.
- A planning grant for a YMCA and a YWCA create an operational relationship for the sharing of administrative, financial and HR services - \$36,000.

# Nonprofit Strategic Restructuring Initiative



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