

Strategic Restructuring 2018 Guidelines

Overview

ABOUT THE COMMUNITY FOUNDATION FOR GREATER ATLANTA

Since 1951, the Community Foundation for Greater Atlanta has been connecting donors, nonprofits and community leaders to strengthen the 23-county Atlanta region through philanthropy. As a top 20 community foundation of approximately 750 nationally, with approximately \$955 million in current assets, Georgia's second largest foundation exists to connect the passions of donors with the purposes nonprofits strive to improve. Through its quality services and innovative leadership on community issues, the Foundation received more than \$135 million from donors in 2016 (unaudited) and distributed more than \$125 million that same year to support nonprofits throughout the region and beyond. For more information, visit: cfgreateratlanta.org or connect with the Foundation via [Facebook](#) and [Twitter](#).

At the Community Foundation, we believe in the power and potential of individuals and organizations to change communities, whether those communities are physical neighborhoods, a group of individuals with a common interest or a cohort of organizations focused on similar issues. We play a variety of roles, but our key goal is to be the connecting point for the various partners, nonprofit organizations and community leaders working together toward the common vision of stronger greater Atlanta region.

IMPACT AREAS

The Community Foundation for Greater Atlanta fulfills the passions of our donors by investing in our region through grantmaking, partnerships and advocacy. To create meaningful, lasting change, our efforts align via measurable objectives through focused "Impact Areas." We practice what we preach – evolving beyond grantmaking strategies and industry jargon to real, tangible impact.

These five impact areas are our promise to the 23-county region - that in partnership with our donors, nonprofits and collaborators, we vow to make Atlanta a better place for all residents to live and thrive.



Arts



Community Development



Education



Nonprofit Effectiveness



Well-being

Arts >> Build a dynamic arts ecology to ensure all residents in our region will have access to high-quality cultural experiences and diverse artistic programs

Community Development >> Advocate for equitable economic growth, strong civic health and safe, sustainable communities

Education >> Improve outcomes and expand opportunities for all learners across the education spectrum

Nonprofit Effectiveness >> Invest in the region's nonprofits with management and financial resources to equip these organizations to effectively manage operations and high-performing programs

Well-being >> Ensure a healthy, safe and engaged region, where all residents have access to quality health care and nutritious food

All of these impact areas are complex and multi-dimensional and require cross sector, regional collaboration: these are opportunities with solutions that cannot be achieved by any one entity. The Foundation has an extensive base of knowledge and relationships across the region, spanning diverse communities, populations and issues, making us uniquely poised to serve as a hub for impact.

Overview

ABOUT STRATEGIC RESTRUCTURING

The Community Foundation for Greater Atlanta is committed to building strong, collaborative nonprofits within the 23-county region. We work with other funders and nonprofits to find the best practices to assess, negotiate, implement and evaluate partnership models between nonprofit organizations. The purpose of the Strategic Restructuring Fund is to provide funds and/or management consulting services to support two or more nonprofits as they assess, negotiate, design and/or implement substantive strategic restructuring efforts that seek to promote more effective operations and high-performing programs based on community needs and assets.

Funding for the Strategic Restructuring Fund comes from the Community Foundation for Greater Atlanta's Common Good Fund. In part, the Common Good Fund is designed to help nonprofit organizations meet the changing needs and resources that confront them. The Strategic Restructuring Fund is just one of the diverse array of programs devoted to this effort.

The Community Foundation's working definition of strategic restructuring is:
"Cooperative, collaborative relationships that exist between two or more independent nonprofits to increase administrative efficiency and/or programmatic impact through shared, transferred or combined services, resources or programs."

The Foundation is looking to support strategic restructuring efforts that involve any or all of these factors:

- ◆ Partnership assessment
- ◆ Administrative consolidation
- ◆ Joint programming with integrated systems
- ◆ Shared facilities
- ◆ Joint business venture
- ◆ Integration/merger
- ◆ Transfer of programs from one organization to another

The Community Foundation is interested in assisting two or more nonprofit organizations seeking to strategically restructure programs or operations to support the provision of high quality, effective, mission-focused programs and services. Guided by La Piana's Partnership Matrix, the Community Foundation has identified several points that may be helpful as applicants consider the proposed work:

- ◆ Partners should outline proposed efficiencies in response to increased funding competition, an attempt to decrease administrative expenses as well as improve administrative infrastructure, expand geographic reach or to improve and/or expand a menu of services
- ◆ Partners should research any legal requirements necessary to proceed with project
- ◆ Partners should include documented evidence of each organization's leadership and staff committed to the success of the proposed effort
- ◆ Partners should include methods to develop sustainability for the effort if appropriate

Available Funding

Grants in the form of cash and/or management consulting services will range from \$25,000 to \$100,000 over a six to 12-month period. The Foundation estimates that it will make up to five grants during 2018. Awards will differ based on factors such as the organizations'/partnerships' goals, timeframe, the number of partners and the maturity and type of partnership. *A cash commitment from applicants is required. The cash contribution must be at least 10% of the project budget and can come from one or more of the partnering nonprofits.*

Projects should be for one of the points of collaboration listed below:

Partnership Assessment (consulting services valued at \$25,000-\$50,000)

Organizations need to assess their readiness and suitability as potential partners. This involves asking a series of questions about each organization and their people (board, staff, volunteers, clients/audience), and looking at the organizations' strengths, weaknesses and "unique ways of doing things." This is extremely important as experience has shown that an honest evaluation of readiness factors often correlates with success. By understanding the strong and weak points relative to a potential strategic restructuring effort, organizations will be in a better position to anticipate difficulties before they occur. An assessment is not a cash grant, but a service provided by a consultant with specific organizational assessment skills.

Readiness and Negotiation (\$25,000-\$50,000)

Organizations will negotiate details of the strategic restructuring effort. This stage of restructuring delves deeply into the specifics of what is possible for the partnering organizations. When appropriate, legal counsel should be included to explore specific legal issues that may be relevant to a potential partnership, such as the impact on government contracts, grant agreements or employment agreements. At the conclusion of this stage of the process – having agreed upon *what* the partnering organizations will undertake – the partnering organizations should be ready to design and/or implement their restructuring effort.

Design and/or Implementation (\$25,000-\$100,000)

Organizations should approach the design phase with special focus on some of the following issues:

- ◆ Development of a design and/or implementation steering committee
- ◆ Creation of an integration/implementation plan
- ◆ Timeframe
- ◆ Use of legal counsel
- ◆ Integration of the board, management, staff, program and systems
- ◆ Managing culture conflict

Implementation of a partnership, be it a merger or other strategic restructuring, is in some ways straightforward: organizations craft the Memorandum of Understanding or merger contract, file the appropriate papers and restructure. However, Foundation staff and the Strategic Restructuring review committee are keenly aware that the integration of people and processes that makes real all the previous discussions can be cumbersome and conflict-laden, and acknowledge that organizations must be deliberate in every step of this process.

The Foundation encourages all applicants to visit the Strategic Restructuring Fund page on our website and to review resources offered by La Piana Consulting relevant to various stages of strategic restructuring.

Outcomes & Timeline

DESIRED OUTCOMES

Progress toward success for the Foundation's learning and the grantees' projects will be determined by the ability of partnering nonprofits to effectively design, implement and/or evaluate outcomes during a specific timeframe. Strategies, activities and results the Foundation will look to as indications of progress may include:

For partnering organizations:

- ◆ Enhanced and/or expanded menu of services available to clients/audiences/customers
- ◆ Measurable, increased programmatic impact
- ◆ Measurable, increased financial efficiencies
- ◆ Measurable, increased operational efficiencies
- ◆ A cohesive planning body capable of implementing the project in a unified manner
- ◆ Collaborative written partnership agreement and expectations
- ◆ Evidence/plan for partnership sustainability

In the case of mergers:

- ◆ New vision and mission statements demonstrated within a sound initiating strategic plan
- ◆ A stronger organization able to provide enhanced and/or improved services to the community
- ◆ A cohesive, functional governing body
- ◆ A clear management structure
- ◆ A realistic budget and development plan
- ◆ Measurable outcomes of the merged organization's efforts defined in an integration plan

Applicants are expected to develop outcomes specific to their efforts in addition to reporting on some or all of the outcomes identified above. More information about what is expected is included in the instructions for completing an application document.

2018 SCHEDULE

In 2018, the Strategic Restructuring Fund will have three deadlines:

2018 Deadline	Lead organization informed of application status	Review committee meets with applicants	CFGA announces decisions
2/2 at noon	2/22	2/28– 3/16	By April 13, 2018
6/1 at noon	6/21	6/27 – 7/16	By August 17, 2018
9/28 at noon	10/18	10/24 – 11/9	By December 14, 2018

Foundation staff is available to discuss expectations with nonprofits in preparation of submission of applications.

Eligibility

ELIGIBLE ORGANIZATIONS

Foundation staff hopes to identify a cohort of grantees that will afford a range of learning and teaching opportunities. To be eligible for review, each partnership must designate one specific “lead” organization. The lead organization must meet the following eligibility criteria:

- Must be located and providing services within the Foundation’s 23-county service area;
- Must be classified by the U.S. Internal Revenue Service under Section 501(c)(3) of the I.R.S. code as a non-profit, tax-exempt organization, donations to which are deductible as charitable contributions under Section 170 (c)(2) and the I.R.S. determination must be current;
- Must be registered with the Georgia Secretary of State as a nonprofit (click here to verify: <https://ecorp.sos.ga.gov/BusinessSearch>);
- Must have a minimum two-year operating history after the date of receipt of its 501(c)(3) classification;
- Must have annual operating expenses greater than \$100,000 as reflected in the most recently filed I.R.S. Form 990 (click here for more information on Form 990: <https://www.irs.gov/Charities-&-Non-Profits/Form-990-Resources-and-Tools>);
- Must have at least one full-time paid employee (paid minimum wage or more, working at least 35 hours per week, classified as a W-2 employee) for the 12 months prior to submitting an application (*please note that contractors or consultants do not count toward this requirement*);
- Must have a current written strategic or business plan for the whole organization that covers at least 24 months which includes the organization’s entire current fiscal year and includes the following:
 - Mission and vision statements
 - Evidence of an environmental scan (an assessment of stakeholder and community needs)
 - Stakeholder participation (staff, board, consumers/clients, volunteers, etc.)
 - Strategic goals and measureable objectives
 - Implementation plan showing action steps, a timeline and assigned staff and board responsibilities
 - Quarterly, semi-annual or annual written assessment by staff and board to measure organizational progress towards goals
 - *Preference will be given to strategic plans that include reference to resources (expenses and staff/board capacity) necessary to achieve goals and objectives*

NOTE: *The Foundation’s evaluation of an organization is heavily dependent on the content and execution of its strategic plan. If the applying organization is finishing its current strategic plan within the next six months and does not already have a replacement plan written or a written, board-approved plan and schedule for replacing it, the Foundation will be limited in ability to fully evaluate the organization and it may impact the grant decision.*

- Must have **audited** or **reviewed** financial statements that follow Generally Accepted Accounting Principles (GAAP) or Government Auditing Standards (GAS) for the past two completed fiscal years as required by budget size. Organizations with annual budgets over \$250,000 must have audited financial statements; organizations with annual budgets between \$100,000 and \$249,999 must have reviewed financial statements;
- Must have filed the end of grant report for any previous Strategic Restructuring Fund grant.

The lead organization will be required to collect and report data on grant expenditures and selected outcomes to measure impact of the grant and resulting work. The Community Foundation will provide a reporting template and will require interim and end-of-grant reports.

Eligibility & Process

INELIGIBLE ORGANIZATIONS

- ◆ Private and publicly funded schools (K-12) and institutions of higher learning. This does not include nonprofit charter schools;
- ◆ Organizations that exclusively raise funds for publicly funded schools (K-12), institutions of higher learning and government agencies;
- ◆ Organizations that require participation in religious services and/or education as a condition of receiving services; and/or
- ◆ Organizations that have discriminatory policies and/or practices on the basis of race, color, national origin, age, disability, sex/gender, marital status, familial status, parental status, religion, sexual orientation, genetic information or political beliefs.

INELIGIBLE REQUESTS

- ◆ Applications from organizations that have not identified at least one nonprofit organization with which to partner and
- ◆ Applications requesting grants to pay for expenses incurred prior to the grant period.

HOW TO APPLY

A complete application includes an Organizational Profile, Common Grant Application and a Strategic Restructuring Fund Grant Application Supplement. Links to those documents are below:

[Strategic Restructuring Fund Application Supplement Instructions](#)

[Strategic Restructuring Fund FAQs](#)

[Board Information Form](#)

APPLICATION PROCESS

What is the application process?

- ◆ The Lead Organization submits a complete application, which includes an Organizational Profile, Common Grant Application, a Strategic Restructuring Fund Grant Application Supplement and required attachments. You can find a link to the Organizational Profile and Common Grant Application along with the Grant Application Supplement and other documents relevant to the application process at www.cfgreateratlanta.org. Partnering Organizations must also complete the Organizational Profile and Common Grant Application.
- ◆ Strategic Restructuring Fund Review Committee (a team comprised of Community Foundation volunteers, partners and staff) reviews all complete applications submitted by deadline
- ◆ Foundation staff informs lead organization of application status (applicants may be declined or may be invited to meet with the review committee*)
- ◆ Review committee meets with applicants
- ◆ Funding recommendations are made to the Foundation's board of directors and grants are awarded

****Being invited to meet with the review committee is not an indication that a grant is forthcoming. As part of the evaluation process, the review committee invites certain organizations to a meeting at which the application is discussed in detail.***

HOW ARE APPLICATIONS EVALUATED?

The following criteria will be used to assess applications:

- 1] Alignment of purpose among the partners
- 2] Commitment to the success of the partnership among the partners
- 3] Experience with previous partnerships
- 4] Success in implementing and sustaining previous programming
- 5] Evidence of pre-planning and research among partners
- 6] Scope of proposed work
- 7] Realistic budget with accompanying narrative explanation
- 8] Proposed sustainability and evaluation summaries
- 9] Opportunities for sustained, long-term impact among partners and/or the community
- 10] Opportunities and potential for sector-wide learning regarding partnerships that may be shared, informally and formally, with other funding institutions

HOW DO I LEARN MORE ABOUT THE STRATEGIC RESTRUCTURING FUND?

The Community Foundation staff will provide one online orientation session. It is scheduled for Friday, January 12 at 11:00 a.m. and will be recorded. A link to register for the webinar is on the Strategic Restructuring Fund page on our website. Prospective applicants who are unable to join the session are encouraged to review the online orientation session presentation (PowerPoint and audio) that will be posted on our website. If you have any questions, email us at grants@cfgreateratlanta.org.