

## **UNITED WAY OF GREATER ROCHESTER SYNERGY FUND POLICY**

**Background.** Over the past fifteen years, United Way has invested nearly \$1 million in supporting increased operational efficiencies among not-for-profits through organizational re-engineerings ranging from co-locations to mergers. Past grants provided post-re-engineering support and feedback from grantees revealed 1) the importance of support during the re-engineering process and 2) the importance of technical support from a facilitator experienced with the legal, financial, personnel and procedural issues involved.

In response to this feedback, United Way refocused its investment strategy in this area to support technical assistance to agencies exploring re-engineering and one-time implementation grants for those who proved successful. We adopted a four phase process and engaged the New York Council of Nonprofits (NYCON) as our technical assistance partner to work with agencies. With several months of experience with the fund this standard policy framework was developed by the Community Investment Operations Advisors.

### **Multi-Phased Synergy Fund Process**

**Phase 1 - Pre-Negotiations.** NYCON provides up to ten hours of technical assistance in assessing organizational goals, reviewing mission and cultural compatibility of agencies considering exploring re-engineering options. This work is also supported through grants from Charitable Ventures.

**Phase 2 - Exploratory Negotiations.** NYCON provides facilitation and preliminary due diligence work necessary for the parties involved to decide about proceeding to negotiate a re-engineering relationship. Successful completion of phase 2 culminates in a good faith agreement to enter into re-engineering negotiations.

**Phase 3 - Negotiations and Re-engineering Effectuation.** NYCON performs all necessary facilitation and work to effect the re-engineering. Successful completion of phase 3 culminates in a re-engineering agreement.

**Phase 4 – Implementation.** Upon successful completion of phase 3, United Way will consider one-time implementation grants for technology, facility relocation, and enhanced administrative infrastructure.

**Grant Requests.** Interested agencies should contact United Way for an initial inquiry conversation. United Way will refer appropriate agencies to NYCON for Phase 1 consultations. Should NYCON and the interested parties determine readiness for the Synergy process exists, the parties should submit a written grant request. The request should include 1) a brief description of the agencies involved, 2) the re-engineering result expected (merger, management agreement, affiliation, co-location etc.), 3) the benefits (both qualitative and quantitative) of the re-engineering, and 4) a disaggregated budget estimate prepared by NYCON.

Staff will formulate grant recommendations which will be presented to the Community Investment Operation Advisors for determination. Technical assistance grants normally will not exceed \$35,000 for pairs of agencies working through the process. Phase 4 grants normally will not exceed \$35,000.