



MPI Guide to Merge or Dissolve a Chapter or Club

Updated December 2020

Introduction

When the sustainable operations of a Chapter or Club is threatened, a merger may be a great solution. This guide provides the steps involved to initiate and move through a Chapter or Club merger. The Guide defines the steps to follow from a Chapter/Club perspective as well as the internal process to follow including Bylaws.

Step 1: Recognize warning signs

Warning signs that a Chapter/Club is not sustainable include high declining membership, incomplete or inexistent board slates, financial insolvency, major lack of volunteer engagement including lack of a succession pipeline, lack of member engagement and therefore declining in Chapter programs (in quality and/or quantity).

As per MPI Guide to Chapter to Club Transition if a Chapter reaches the 60-member threshold (Club at 20 members) or displays other warning signs, the Chapter's board will work closely with its Chapter Operations Manager or Director (COM) to establish an action plan to correct the identified barriers to sustainable Club/Chapter operation.

Step 2: Create an action plan and timeline for change

A Chapter merger can be a positive move, as it relieves its volunteer leaders from some of the obligations required with Chapter operation, and it may give the board much-needed space to develop new strategies for growth and member engagement. However, it is not a choice to be made lightly. Before deciding to merge, work with your COM to develop an action plan to reverse downward trends to see if you can effect positive change within your current chapter structure. Set specific, measurable, achievable, relevant and time-based (SMART) goals that Chapter leaders can follow as a course-correction strategy and document these steps in an action plan. Set a definitive end-time to reevaluate progress (ex., six months) to demonstrate positive movement, before committing to Club downgrade.

An action plan includes: SMART goals for each identified issue with deadline for achieving milestones and name of person responsible for overseeing execution of tactics

- Tactical plan needed to achieve each SMART goal with deadline for deliverables and name of people responsible for activating each tactic

A good action plan template is the "Business Plan Template- 2020" document found on the Chapter Leaders Resource Page > Office of the President > Chapter Compliance Documents. Refer to your Chapter Operations Manual as a minimum standard.

Collaborate with your board and COM to establish the action plan. Follow the action plan and review progress with your COM on a monthly basis. Hold board members accountable for progress made or actions not taken. If the situation improves, maintain the discipline of the action plan to keep your Chapter on solid ground for at least the next year. If these actions do not achieve the desired results within the MPI term and/or the situation worsens, two scenarios will be contemplated:

- 1) Merge with another Chapter
- 2) Dissolve the Club/Chapter

Step 3: Operational steps to Merge

- 1) Agree with your COM this is best option and that the ad hoc action plan has not resolved the situation of decline.
- 2) Chapter Board to vote to dissolve their Chapter with the intent to merge into another nearby Chapter. This action will imply Chapter members, reserves and any outstanding items from the same Chapter would be part of the merger. If merge option is decided most of the above assets will go to Chapter merger.
- 3) Initiate conversation with prospective merger Chapter, that must vote and agree on the merger.
- 4) Create an official "Chapter Merger Notification" letter to COM to be presented to the International Board of Directors (IBOD) with decision and causes outlining why your Chapter should be considered for merger. Include:
 - Number of current members
 - Efforts made to increase membership
 - Reasons impacting membership decline
 - Dashboard information
 - Financial trends
 - Other information critical to understanding the current situation (no board engagement, lack of volunteers, financial insolvency, etc.)
- 5) The IBOD must vote on any changes to Chapter names, status or geographic boundaries.
- 6) Once voted by IBOD, Chapter will be notified from COM and the process will be documented.
- 7) If the request is approved, then Chapter must inform membership of the decision by the Board.
- 8) A further communication will be sent to members sharing the decision and letting them know they have the choice to affiliate with the new Chapter, being a member-at-large or downgrade to an "Essential" membership.
Note: new Chapter will send welcoming letter and remind choice to affiliate or not with the new Chapter.

Step 4: Operational steps to dissolve

- 1) Chapter Board to vote to dissolve their Chapter as impossible to merge.
- 2) This will imply Chapter members, reserves and any outstanding items from the same Chapter.
- 3) Hold General Assembly to inform members.
- 4) Reserves after paying legal administration to dissolve will go to MPI.
- 5) Members will have the choice to becoming a member-at-large, affiliate to a Chapter of their choice or downgrade to an "Essential" membership.
- 6) Once defined write letter to COM to document the process. Short history with membership numbers and financial assessment plus current Dashboard. COM may require additional information and can provide template.
- 7) IBOD must validate to revoke the Charter.
- 8) Dissolve any formal business requirements per country's guidelines (close 501(c) and/or local tax number and bank accounts).

Step 5: Internal procedure in Work Front (internal use only)

COM to open project to:

- Close term in Aptify
- Close Chapter website
- Amend Marketing and Chapter presentations
- MER team to affiliate members with new Chapter or At large

Appendix:

BYLAWS extract on Chapter dissolution / **ARTICLE XIII. MISCELLANEOUS**

Section 2. Dissolution. Funds are to be used only to accomplish the objectives and purposes specified by the Chapter and no part of such funds shall inure or be distributed to Chapter members.

On dissolution of the Chapter or a determination by MPI that the Chapter is no longer eligible to be an MPI Chapter, any funds and all records/files are to be returned to MPI and the Chapter shall no longer indicate or imply any affiliation with MPI.