



Q: What are the common ways nonprofits combine or collaborate under New York law?

Depending on an organization’s goals, finances, and programs, there are several ways nonprofits can formally or informally combine or collaborate:

- **Merger:** Two or more nonprofits legally combine into a single organization, with one entity surviving or a new entity being formed.
- **Parent–subsidiary affiliation:** One nonprofit becomes the sole member or “parent” of another, allowing shared governance and oversight while each organization remains legally separate.
- **Asset transfer:** One nonprofit transfers some or all of its assets and programs to another organization, often as part of an orderly wind-down of their operations or strategic shift.
- **Shared services or joint programming:** Organizations remain fully independent but collaborate by sharing staff, administrative functions, and/or programs, usually through contracts or agreements.

Q: How does the process get started?

Leaders often have confidential conversations with NYCON’s team. Early discussions focus on your goals, concerns, and options — not on pushing for a particular outcome. Neutral advisors like NYCON help structure the conversation, manage risk, and help keep relationships intact.

Q: If we start talking about restructuring, are we committing ourselves to anything?

No. Exploring options with NYCON doesn’t create any obligation. Some organizations decide not to restructure after evaluating their options. However the organizations elect to proceed, the process will provide them with valuable planning and strategic clarity.

Q: How are finances, liabilities, and risks evaluated?

Exploration with NYCON involves careful due diligence, so everyone understands assets, debts, obligations, and risks before making any decisions. This includes reviewing financial statements and audits for matters such as contingent liabilities or going-concern issues.



Q: Can a restructuring improve financial stability and funding opportunities?

In many cases, yes. A stronger combined organization may be better positioned to qualify for grants, contracts, fund development, and long-term sustainability by creating greater organizational capacity for effective work.

Q: Are regulatory or court approvals required?

Certain restructuring options require approval by the New York Attorney General or the courts. These requirements are a routine part of the process and are managed by NYCON.

Q: Can our organization's name, programs, or community presence continue after a merger?

Often, yes. Many restructurings preserve key programs, identity, and community relationships, even if the legal structure changes.

Q: What happens to the board of directors as part of a merger or other affiliation?

Board composition and governance structures are addressed early in the process and are tailored to the organizations involved. These decisions are guided by governance requirements, leadership strengths, and long-term strategic goals, with a focus on effective oversight and mission impact.

Q: What happens to the executive director and staff as a result of a merger or affiliation?

In the nonprofit sector, mergers and affiliations are typically pursued to strengthen programs, expand services, or increase organizational capacity. Consequently, assuring continuity with leadership and staffing is an essential consideration. In most cases, the retention of experienced employees is vital to support existing programs and services and explore opportunities for future growth. At the same time, final decisions are made case-by-case based on operational needs, available funding, and the long-term advancement of the mission.

Q: What time frame should a nonprofit expect for a merger or other affiliation?

The time frame varies based on the circumstances. Factors include how familiar the organizations are with one another, the scope of due diligence required, whether approval from the New York Attorney General is needed, and the complexity of the proposed arrangement. Simpler affiliations may be completed in a few months, while more complex transactions can take six months or longer.

Q: Why work with NYCON rather than a private consultant or traditional law firm?



As a charity with over 3,000 nonprofit members, NYCON is unique in our ability to provide continuity in the delivery of qualified, experienced professional services, at nonprofit sensitive rates, relative to the assessment, facilitation and implementation of any form of corporate restructuring. Private consultants may understand the intricacies of nonprofit governance and operations but simply lack the qualifications necessary to implement a restructuring. Law firms can handle the legalities of a merger, affiliation, etc. However, their unfamiliarity with the practical day-to-day operation of nonprofits tends to result in insufficient due diligence assessments and the suggestion of ill-advised organizational structures. Either way, at great expense, you're ultimately forced to retain multiple vendors, losing invaluable continuity in service delivery along the way. NYCON's holistic, multidisciplinary approach to the coordination of corporate restructuring projects enables us to provide all necessary assistance "in-house," without any loss of institutional memory.

So, as has been true of NYCON's more than 150 other successful restructuring projects, you'll start and finish with the same experienced team of specialists, attorneys, analysts and advisors.