



## ITEMS OF INTEREST

This edition of Realignment News information is about GSUSA IT support for realignment and information, regarding the first vote of council delegates in the realignment process. Also included are questions and answers to the most recent set of queries received.

With information being shared immediately following the National Board meeting during which the board approves new council jurisdictions (August 28) the next edition of Realignment News will be sent to councils on September 11. Questions are always welcome. Please send them to Vicki Wright at [vwright@girlscouts.org](mailto:vwright@girlscouts.org).

### **GSUSA IT Support Services for Realignment**

While the Councils, who are looking to October 2006 as their realignment start date, continue to move forward with their respective planning processes, GSUSA Information & Technology is moving ahead and developing support services for the Councils. The very first step in our process is coming up this month when we deploy a Council IT Technical Profile survey on the OCN for the October councils. This same survey was deployed for the Early Adopters and generated great qualitative and quantitative information regarding:

- Software: office suite, accounting, fund development, membership, POS
- Hardware: desktops, laptops, servers
- Networking
- Telecommunications
- Web sites
- Internet providers
- Council Shop

Our goal for this survey is to have the collected data available for each new council group at the realignment trainings that will begin in October.

At the Early Adopter training sessions in May we provided guidance on beginning the technology conversation and taking care not to let technology drive key operating decisions. As a first step, please consider:

- Taking an inventory of key applications and system requirements
  - Technology survey a good start
- Prioritizing effort to merge systems, aligned with business process decisions
  - Establish teams
- Deferring long-term technology investment decisions, until after the merger is effective
- Developing a “Day One”, “Day 30”, “Day 90” list of system requirements

For ongoing realignment services, GSUSA IT is building capability and preparing for more comprehensive support to Councils. Here is GSUSA IT's objective and list of services to support Councils. For any comments or questions, please note the contact information at the bottom.

**Objective**

- To provide GSUSA IT support and guidance to councils as they undergo realignment and facilitate the building of a stronger Information and Technology capability in the new formed councils.

**Services**

- Perform an online Council IT Profile Survey as a first step toward identifying each new council's IT profile for quantifying and qualifying IT needs among merging councils. This survey will be sponsored by GSUSA in advance of the council realignment trainings to coincide with realignment start dates.
- Provide an initial Executive Level Guide for inclusion in updated Realignment training binder (for release in October 2006) to help the CEOs and Board Chairs define the IT efforts to their respective CRCs. The detailed sections of the guide will follow just behind the Executive portion for use by the council technical people. The detailed guide will be a step-by-step strategic assessment and planning document geared to help Councils collect important data they will need to make informed, strategic decisions about technology and business process during and after the merger.
- Assist in the determination of IT staffing requirements and qualifications, working in conjunction with GSUSA Human Resources
- Provide software selection guidance and analysis templates, working in conjunction with the GSUSA council consultants.
- Where appropriate and requested by Councils, target external consulting resources to assist councils in the IT planning process.
- Be responsive to Councils during merger processes to assist as needed.
- Maintain on-going communication with Councils based on pro-forma timelines and to serve as a sounding board, information source and research group.

**GSUSA IT Contacts**

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**Clarification Regarding First Vote of Council Delegates From Gibson Dunn & Crutcher**

The first vote of the delegate body would be to approve the letter of intent (LOI) – this is where the councils agree to agree. That is, they agree to negotiate and sign a merger agreement. That letter of intent will not necessarily say how the merger is structured (e.g., it won't have to say which council survives), therefore it would be impossible for anyone to take the position that the merger was effected by entering into that letter of intent.

Even if the letter of intent says it is binding, there are still a number of steps to take before a merger is effective, including (1) negotiate merger agreement, (2) obtain board and member approval of merger agreement, (3) execute the merger agreement and (4) elect the Board of Directors (5) file the certificate of merger.

If the letter of intent is "binding," then it will have effect as a matter of contract law on the parties, but it will not effectuate the merger. So this approach would work regardless of local law relating to mergers or consummating a merger in the jurisdiction in question.

The other approach would be to skip the letter of intent and go directly to the vote on the merger. In this case you would need to have the Board Members selected and ready for election and would need to have all other decisions made and ready for vote. In this case you would have only one vote – and then you would be ready to file your certificate of merger.

The CRC does not have any status as a formal entity or governance body. It is a working group comprised of representatives from each of the merging parties. Those individuals are acting in their capacities as representatives from their respective councils, and they may have delegated authority from their respective boards to represent the council on the CRC and to make decisions on behalf of their council. Decisions of the CRC will represent the collective decision of the representatives of each council. Some of these decisions will be embodied in the merger agreement. Each council will execute the merger agreement following the final vote, evidencing the agreement of each council to the terms included in the formal agreement.

Note: "Gibson, Dunn & Crutcher will be sharing a LOI template with all Early Adopter Councils and subsequently with all councils as they begin the realignment process.

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 Q & A

**1. What legal entity hires the CEO if the merger is not in effect until the second vote?**

At Early Adopter Training we said that the Search Committee - formed from all of the councils - would be given the authority by the CRC and each council board to conduct interviews and make the selection. We also said that that selection would be ratified by the CRC (without CEOs participating) and ultimately ratified by the new board.

The CEO selection process does require full agreement from all councils. This understanding can be formalized in the Letter of Intent and subsequently approved by all councils when the first vote is taken. Incorporating this element into the Letter of Intent will help answer questions and will make the delegation of authority clear.

**2. Our council is being split two ways and we are concerned about when the potential transfer of membership and assets will take place, since neighboring council is realigning at a different time than we are. What advice can you give us?**

Where councils have jurisdictional changes with membership shifting there is great flexibility in when those jurisdictional changes can happen. The primary goal should be to minimize the disruption of the girls and volunteers affected. Jurisdictional changes can happen at any time,

either before or at the same time as the “merger” of the current council. We have processed several jurisdictional changes this summer for groups that want to go ahead and make changes now for the upcoming membership year. We also have groups where the jurisdictional changes will take place at the same time that the “merger” takes place in their current council.

With larger portions of councils shifting (15% or more of the girl membership), the concern is whether the current council can afford to transfer the assets prior to the “merger.” This is why there is flexibility in this process. We would not want to jeopardize the financial soundness of a current council prior to them realigning. If you need further assistance with planning for jurisdictional changes, feel free to contact your Council Partnerships Primary Consultant.

**3. We understand that there are 29 councils that are not changing. Can you tell us who they are?**

Yes, however, this is still a preliminary list. Areas are still being worked on, so this list may change. This list includes 15 councils with no changes and 14 councils with jurisdictional changes that are not considered a merger. The final list of all councils will be distributed to councils on August 28, following the National Board Meeting where new council jurisdictions will be approved.

Arizona Cactus Pine	Caribe	Central Maryland
Chesapeake Bay	Citrus	Colonial Coast
Commonwealth	Cumberland Valley	Frontier
Gateway	Greater New York	Gulfcoast
Hawaii	Kentuckiana	Nassau County
Nation’s Capital	Orange County	Rhode Island
Sahuaro	San Antonio Area	San Diego Imperial
San Gorgonio	San Jacinto	Sierra Nevada
Silver Sage	Suffolk County	Tropical Florida
Utah	Virginia Skyline	

**4. Our council is not changing, do we need to change the name of our council to meet GSUSA’s new council naming guidelines?**

Not necessarily. From a branding perspective, GSUSA would encourage all councils to evaluate their council name in relation to the new council naming guidelines.

**5. When will we hear what the final decision of the National Board is regarding new council jurisdictions?**

On Monday, August 28, there will be a conference call from 4 – 5 p.m. E.S.T for Board Chairs and CEOs to share the board meeting outcome. Materials will be emailed to councils prior to the conference call.