

Document Details & Glossary



As outlined in Section A. Reorganization Process & Timelines, the consolidation process entails several legal steps, including the creation of various documents as well as filings at the state and federal levels. The following is more detailed information about some of these documents: the National Association bylaws, the Reorganization Agreement that will be signed by each Component that consolidates into a Region, and the Affiliation Agreement that will be signed by each Region signifying they are part of ASPAN.

National Bylaws

As a step in the reorganization process, the Bylaws of the National Association will need to be amended to reflect changes required to activate the reorganization strategy. Examples of amendments include identification of the various Regions, changes to the composition of the Representative Assembly, and other governance changes such as term limits. These changes will also inform the content of the uniform Affiliation Agreement that will apply to each Region.

Region Bylaws Template

In discussions with Component leaders, a frequent request has been for greater uniformity and understanding of governance practices across the Regions. This is also an element of risk management for each Region (e.g., ensuring that bylaws include proper indemnification language for board members and officers). The National Association will provide a Region Bylaws template for use by all Regions, which can be modified to reflect any state-specific regulatory requirements and optional provisions (e.g., the Region's selection of term limits or committee structure).

Reorganization Agreement

For each Region, the relationship between the consolidated Components will be set forth in the Reorganization Agreement, covering agreed expectations between all parties for matters such as governance, finances, and operations before new Bylaws are drafted. Once a Component Board of Directors votes to consolidate, the Board representative(s) will sign the Reorganization Agreement to signify the Component's commitment to the reorganization.

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ASPAN National will work with legal counsel to create the Reorganization Agreements for use by the reorganizing Components. The Reorganization Agreement terms will reflect agreed protocols (e.g., representation, timelines, responsibilities) that will apply to all Components that are undertaking the consolidation process as a condition to being an ASPAN affiliate, as well as issues specific to the particular Region. The following are examples of issues that may be covered in the Reorganization Agreement.

Governance

- **Interim Leadership** — how and when the initial Regional Board will be formed (e.g., representatives from each consolidating Component, transitional officers), and its responsibilities
- **Board Composition** — agreement on size, officer roles, and representation balance until elections are held (some of which may be required as part of the Affiliation Agreement)
- **Election Timeline** — when the first formal regional elections will occur
- **Decision-making Process** — how votes are weighted during the transition (e.g., equal per component vs. proportional to membership size)

Financial Management

- **Asset Transfers** (including Legacy Funds) — how and when existing reserves, bank accounts, and investments from each Component will be combined or earmarked (note: based on focus groups and member surveys, there may be a national agreement that all legacy funds will be available for a specific list of uses, across all Regions; see Affiliation Agreement discussion, below)
- **Use of Legacy Funds** – how a Component’s legacy funds, if any, will be handled by the Region after asset transfer
- **Debt or Liabilities** — agreement on how outstanding obligations are handled
- **New Funds** — how future revenue (e.g., membership dues, conference fees, sponsorships) will be collected and managed at the Region
- **Budget Authority** — who approves the first Region budget and how financial oversight will be structured

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Records & Property

- **Records** — how membership lists, financial records, and governance documents will be transferred to the resulting Region
- **Physical Assets** — how office equipment and supplies will be inventoried, transferred, and deployed
- **Technology Systems** — agreement on consolidating websites, email lists, and cloud storage

All physical assets (e.g., computers, printers, supplies) will become the property of the resulting Region into which the Component has combined, effective as of the date of the Region reorganization. The new Board for Region will be responsible for tracking and assigning use of such assets to benefit the organizational needs of the Region as a whole.

Membership & Representation

- **Membership Continuity** — assurance that all current members of combined Components automatically become members of the resulting Region.
- **Representation Balance** — interim guarantees that smaller Components will not be overshadowed in services and benefits while the consolidation is ongoing.
- **Dues Alignment** — agreement on how and when dues will be standardized across the new Region

Legal & Compliance

- **Formal Vote to Consolidate** — process by which each Component Board of Directors will need to approve the consolidation by resolution
- **Regulatory Filings** — agreement on the filing process to meet state and federal regulatory requirements to effectuate the consolidation
- **Tax-exempt Status Continuity** — ensuring the resulting Region maintains nonprofit 501(c)(3) compliance throughout the consolidation process and thereafter
- **Contract management** – e.g., notice requirements, renegotiation
- **Insurance Coverage** — agreement on how liability, D&O insurance, and other coverages will be handled during the consolidation process

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Programming

- **Unified Mission Statement** — agreement that the resulting Region will adopt the National Association’s mission and values
- **Program Continuity** — how ongoing local programs/events will be integrated, continued, or phased out
- **Branding** — agreement on the resulting Region’s name, branding, and logo use, aligned with National protocols
- **Communications** — how members will be informed and how external stakeholders (e.g., hospital partners, sponsors) will be notified

Dispute Resolution & Termination

- **Conflict Resolution Process** — how disagreements among consolidating Components will be handled during the transition
- **Withdrawal** — whether and how a Component can back out before the consolidation is finalized
- **National Oversight** — role of the National Association in mediating disputes or enforcing compliance

Affiliation Agreement

Each Region will sign a uniform National Affiliation Agreement as a condition to becoming an affiliate of ASPAN. The Affiliation Agreement will include governance and operational standards to ensure consistency across Regions. This may include, for example, mandated bylaws language, board structures, financial reporting, branding, and compliance with National Association policies. The following are examples of the types of terms that may be included in the Affiliation Agreement.

Mission, Branding and Conduct

- Mission and vision must align with the National Association brand and language (preset language may be provided)
- Organizational name, branding, and logo use will align with national protocols

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Governance

- Requirement of uniform Bylaws across Regions (except as required by law or subject to Region's election)
- Establishment of interim Region Board of Directors (1st Board during the consolidation process)
- Board composition (e.g., no less than 7 or more than 15 board members)
- Board term limits (e.g., choice of 3, 2-year terms or 2, 3-year terms; 1 year off)
- Board member removal provisions
- Nominations and election process
- Quorum for various types of decisions (e.g., majority, 2/3)
- Officers/titles/roles (subject to state-specific requirements)
- Officer rotation across geography
- Officer term limits; officer removal provisions
- Standing/ad hoc committees
- Conflict of interest rules
- Indemnification and insurance requirements
- Bylaws, Articles of Incorporation, and Articles of Amendment must be filed with the National Association

Programming & Operations

- Each Region will retain control over regional and local programming
- Adoption of national code of conduct to govern board and member behaviors; national standards on ethics, nondiscrimination, harassment, etc.
- Requirement of Commercial Registered Agent for each Region, to use as a physical address for all filings, banking, and legal matters
- Requirement that each Region use a national bank w/physical branches, and provide list of signatories to National Association (updated annually)
- Legacy Funds (uniform use; see above)

Renewals, Termination, Discipline

- Affiliation renewal period (every 3 years or when amended, if sooner)
- Authority to revoke affiliation if standards are not met