

# Proposed Use of Legacy Funds



The following sets forth a recommendation for handling of unrestricted legacy funds across all Regions. If prior to the time of the reorganization, a Component maintains restricted funds (e.g., donor restricted funds), the Component will work with legal counsel to assess how to comply with those restrictions in light of the reorganization.

## **Component Designation as General or Restricted Funds**

ASPAN National requests that each Component that engages in the reorganization process choose one of the following designations for its legacy funds:

1. Designate its legacy funds for general use by the new Region as a whole, or
2. Elect to designate a portion of its legacy funds as restricted for the benefit of Region members residing within the zip codes and/or states of the original component from which the legacy funds were derived, with the restricted amount to be determined only after the Region has identified and approved its startup funding requirements.

Each Component's decision regarding (1) or (2) above will be documented in the applicable Component's Reorganization Agreement.

## **Use of Component Restricted Funds**

If the Component determines it would like its legacy funds to be restricted to benefit Region members living within zip codes and/or states of the original Component, the ASPAN National requests that the legacy funds are designated for one of the following purposes:

- Conference and event registration fees
- Transportation and lodging expenses to attend conferences and events (regional or national), professional networking events (ASPAN-related), including local ASPAN member recruiting and engagement events
- Continuing education or grants
- Certification support and exam preparation

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## Administration of Restricted Funds

Component restrictions shall be set forth in the agreement between the Component and the Region that effectuates the transaction (e.g., Asset Transfer Agreement or Merger Agreement). Each Region holding component-restricted funds shall be responsible for ensuring that the funds are administered in accordance with the restrictions.

To support this responsibility, each Region may elect to have ASPAN National provide administrative services for such funds at an additional fee. The services will include a web-based application and review process for use of the funds, culminating in a recommendation to the Region. The Region Board leadership will have final approval of all legacy fund requests and shall remain responsible for managing disbursements in accordance with the Region's regular payment processes.

## Sunset Provisions

The Region and Component should not permit the Component restriction to exist longer than 24 months, and the transaction agreement (either Asset Transfer Agreement or Merger Agreement) shall make clear that any Component restricted legacy funds that are not utilized by the end of 24 months from the effective date of the Region transaction shall revert to the Region's general operating funds to benefit the Region as a whole. This provision allows each Region adequate time to utilize legacy restricted funds in accordance with their established purpose and in support of mission priorities. The Region Board of Directors may also approve the establishment of a new restricted fund with a purpose similar to that of the original legacy fund, as appropriate. At the same time, the provision will prevent stagnation in decision-making regarding the use of funds and provide a time limit to the ongoing administrative requirements of maintaining these funds.

Any other restricted funds transferred to the Region shall be subject to the terms and conditions of the original restriction.

