

# You're Faced With Closing Your Chapter: What Next?



You may think the impact of the COVID-19 pandemic on association chapters is behind us, that chapters have recovered and are operating at 100 percent. Sadly, that's far from the case. The long-term effect will be felt for a time to come. We continue to hear about chapters that, because they didn't keep up with the changes required by the pandemic, like moving to or adding virtual meetings and providing membership extensions, have been reduced to as few as 10 members and a board that's consists of a member or two.



These chapters, and others who may be on slightly more stable footing, are realizing that they can't continue operating as they have been. But what should they do? Should they close? Merge? Or put their focus on finding ways to reinvigorate the chapter and continue to operate it locally?

The first step is to get a true sense of the stability of the chapter, in terms of finance, governance, operations and membership. Once they have that information, it's easier to make the big decision.

## **Understand Chapter Finance, Governance and Operations**

Work with your treasurer, accountant and lawyer and your Board to understand your high-level operations by:

**Taking inventory of the chapter's financial assets and liabilities.** This includes things like any chapter office equipment and collateral, financial investments, funds in endowments, trusts and



general reserves held in bank accounts. This also means seeing how much the chapter owes, which could include:

- Outstanding contracts, sponsorships, subscriptions
- Taxes
- Severance or termination fees for employees (like your chapter administrator, accountant or lawyer).

**Deciding what to do with any existing business contracts.** Should you buy out any business contracts or let them expire? If the chapter owes more than it has in reserves and you want to close out contracts, where will the money come to pay for them?

**Reviewing affiliation agreements, bylaws and policies.** Your bylaws should include what happens if you choose to dissolve your chapter. You'll also need to understand if there are any state laws that could affect how closing your association chapter can move forward. If you have a surplus, you'll have to be prepared to decide what happens to those funds. Are you part of a national organization that requires leftover funds to be turned over to them? If so, include a plan that includes allocating a portion of those funds to support local engagement for the dissolving chapter's members.

### **Before You Assume Closing or Merging are the Only Options...**

You've done your review, and things look bleak. But do you necessarily need to close or merge? You started your chapter to support your industry and people in that industry as well as your local community. Maybe part of your mission was to give back to some or all those groups. The remaining members have stuck around for a reason and they may want to try one last attempt to keep the chapter open and maintain a local focus.

Closing the chapter would eliminate the local focus, of course. Merging with another chapter could be a possibility, if you can find a way to maintain the local feeling that has kept this small group engaged with the chapter. But if the merged chapter is virtual, or has a base 50 miles from your current location, will it be easy for members to take advantage of in-person chapter offerings?

Before you close, you may want to talk to your membership about one last push to try to grow the organization. Here are some ideas you may not have thought of.

**Do you need a rebrand?** What sorts of changes could you make to the chapter to continue to engage existing members while at same time, showing you're vibrant and available to provide what



new members are looking for? Maybe it's finally time to move to an association management system (also known as an AMS), to expand your online offerings, like continuing education, forums, the ability to register and pay online and more. Or it could be as simple as changing how you market your existing offerings.

**Can you reconnect?** You may have lost members due to the pandemic, normal job changes and retirements. Have you thought about looking at these members who've left and seeing how you can re-engage them? Perhaps it's time to start a chapter mentorship program to engage younger members or get retirees involved, or move to a tiered membership structure that could offer a financially attractive option for retirees? Show former members any changes you've made since they've left, like a rebrand or partnership, and show how these changes could be worth returning for.

**How about a partnership?** We've talked about this before. Your organization doesn't operate in a silo. Are there organizations that overlap with yours, which your members support in their daily work lives, that you could partner with on events and education that could also provide you with support and visibility?

In the end, the best direction for your chapter might be to close or to merge. But a few changes and connections can reinvigorate your members and provide hope and inspiration to continue. If you go through this exercise and decide it just doesn't make sense, at least everyone who remains will know they gave it their best.

