

TOOL #13: WHAT DOES IT COST TO MERGE?

It is difficult to generalize about the costs of a merger, which vary widely depending on the following:

- 1) Size of the organizations
- 2) Number of locations
- 3) Number of employees
- 4) Goals the organizations are attempting to achieve
- 5) Budget and revenue available
- 6) Number of consultants engaged during the merger process

Each phase of the merger process will generate different costs. In general, the costs associated with the first two phases, pre-merger planning and the merger negotiation process, are related to hiring consultants to assist with planning, legal and financial matters, marketing, and other critical tasks. The third phase, merger implementation, will involve costs associated with integrating the organizations into a single entity.

The following chart contains the most common types of expenses that organizations may need to include when creating a budget for their merger process.

MERGER COSTS

CATEGORY	ITEM	COST
Legal	Nonprofit Attorney	
Consultants	Merger Facilitator	
	IT Specialist	
	Database Specialist	
	Fundraising Contractor	
	Marketing/Communications	
Marketing/Communications	Name Design	
	Logo Design	
	Printing for Stationery, Business Cards, Etc.	
	Signage	
	Website Redesign	
	Press Communications	
	Celebration	
Human Resources	Severance	
	Benefits Differential	
	Salary Differential	
Space Build-Out	Architect	
	Construction	
	Furnishings	
Moving	Professional Movers	
	Utility/Phone/Internet Hookups	
Systems Integration	IT Hardware, Software, Databases	
	Training	
	Materials	
Other	Tail Insurance	