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Guardian Ad Litem (GAL) of Madison County CASE

Part One

Family Solutions Incorporated (FSI) of Madison County is a private nonprofit organization that provides a wide range of family and child centered social services within the community of Flowerton, IL. In recent years, the organization has had annual operating revenue of approximately $430,000 and employs a staff of approximately ten full- and part-time staff members.

Over the past thirty years that FSI has operated, the agency has come to operate three major programs. The smallest program in terms of expenses and staff time, Mental Health America (MHA), primarily provides educational outreach to the city of Flowerton to promote positive mental health. MHA was an affiliate program of the National Mental Health America program but in past years it has allowed its membership to lapse because of financial problems. Its current focus is on an annual event that encourages art that educates on issues of mental health. It is staffed primarily by board involvement and by mental health professionals assigned within the agency. Over its history it has experienced some grant funding but currently has no revenue.

The second program arose out of an earlier decision to house Sycamore Tree Counseling (STC) within FSI. It provides direct counseling services to children and families. These counseling services are provided at low cost through either sliding scale individual payments or through Medicaid reimbursements. While FSI is not the only agency in Flowerton to provide reduced-cost counseling services, it is the only agency that specializes in providing these services to families and children. As a result it provides a critical service to the Flowerton community.

The STC program employs one full-time director who, in addition to his administrative roles, provides counseling services. This director, Brian Friendly, has been with the agency for less than a year, but is taking the counseling program in a positive direction. The program has continued to struggle financially, but has begun to build a larger presence in the Flowerton

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community. Outreach programs have increased and the United Way, which helps fund the agency, has expressed support for the direction the agency is going.

Additionally, the agency employs three part-time counselors who are paid hourly based on the clients that they see. Government reimbursements and private payments do not cover the cost of direct counseling services. The STC program has also recently begun to supervise court ordered visits in which one parent is required to be supervised while visiting with non-custodial children. This serves as a small but important source of new revenue for the agency.

Lastly, FSI houses a Guardian Ad Litem (GAL) program. The FSI GAL program provides court appointed advocacy services for children who are interacting with the court system because of suspicion of abuse or neglect. The programs recruits, trains, and supervises volunteers who investigate and represent the best interests of children in the court system. The GAL Program was formed in 1983 and became a sub program of FSI in 1984 for administrative convenience and because of the agencies shared commitment to children and families.

Day-to-day operations are handled by the director, Kay Bishop, a full time assistant program director and two part-time case supervisors. The agency has approximately 78 active volunteers who work with approximately 300 abused and neglected children each year.   The FSI GAL program stands out among the other programs in Illinois in its ability to serve children in need. While there is a growing waiting list, the agency has been more successful than other GAL programs in keeping up with the demand of the courts.

In addition to these program staff, FSI employs an executive director, Dee Grafton, to oversee both programs and an administrative assistant to provide general office support. All programs share a suite of offices in downtown Flowerton as well as general office infrastructure including a phone system, credit card machine, and server.

Over the years, the STC program and the GAL program have helped each other through financially lean times. However, over the past five to ten years, the counseling program has depended on GAL revenue for continued operations. GAL receives approximately half of its funding from stable government sources and has been particularly effective in generating grant revenue. Alternatively, the Mental Health America program produces no revenue and the STC program has faced a gradual but steady decline in revenue. This decline reflects a number of factors. First, the counseling program experiences low levels of Medicaid reimbursement. Second, the agency has served a declining number of clients. In recent years, the caseload of the agency has hovered around 25 client hours per week served by three counselors. Third, the agency board has focused on internal operations and mission at the sake of concerted fundraising efforts.

In addition to program specific funding, the FSI agency conducts three annual mailings to a list of supporters of each program that provide an important source of unrestricted revenue. It is impossible to know which program direct mail donors wish to support, but it is the impression of Kay Bishop that most of the major donors have a historic relationship with the GAL program and not the STC or MHA Program.

FSI had a long history in the Flowerton community and received a significant amount financial and social support. However, recently, the agency has been plagued by financial problems. In 2006, the agency was forced to lay off the entire staff for one month given their inability to make payroll. A direct mail letter to GAL supporters and an article in the local paper highlighting GAL efforts brought in $30,000 in emergency funds that allowed the agency to reopen. The first half of 2007 appeared to be financially healthier, STC increased their client base and it appeared that it may begin to support itself. However, the lead counselor soon left and the board failed to interview for her position for two months. This resulted in a significant departure in clients and a dramatic drop in STC income. When Brian Friendly was finally hired, he was unable to start for six months, further diminishing clients and revenue for STC.

It is within this context in February of 2008 that Kay Bishop first contacted Jessica Salmon, Chairman of the FSI Board, to express concerns about the long-term viability of the agency. In a somewhat exasperated fashion, Bishop expressed to Salmon, "We can't keep going on like this. It is difficult to keep qualified employees if you have to lay them off periodically to make payroll. Moreover, without a more stable budget, we can't recruit the volunteers that we need to serve the children." Salmon promised that Bishop's concerns would be brought up at the February FSI board meeting.

The FSI board did discuss Bishop's concern but without resolution. While most members of the board readily acknowledge that "we have had our problems in the past," the recent fundraising success left many board members optimistic about the future. One board member congratulated the others on "really pulling through when we needed it." The final decision of the board was that, "we need to be careful moving forward," but no drastic changes to structure or mission were discussed to bypass any future financial problems.

This left Bishop dejected. While thinking about her future and the future of the agency she pondered, "Why can't the board realize the dire straits they are in? Clearly they do not understand the financial picture and the needs of the GAL program to operate. If they don't do something soon, we will be doomed." This left Bishop with a number of decisions to make for herself and the agency. First, as a well respected nonprofit leader, Bishop needed to decide whether her future was with GAL. She was easily qualified for an executive director position with other local nonprofits. Should she leave GAL now while the market is right or should she remain with the agency to which she has dedicated her heart over the past ten years? Were she to stay, what could be done to stabilize the agency and its finances? Whatever solution was adopted would need to meet a number of conditions. First, each program within FSI would need to become financially independent. The undulating health of one program over another meant that none of the programs were thriving continuously. Second, the agency needed to develop more sound budgeting practices. There was a clear disconnect between revenue and expenses on the part of the FSI executive director. Like many nonprofits, FSI was in desperate need of improving in financial and personnel practices. Third, the board needed to recognize that desperate action was necessary. Incremental cuts in spending were likely to have little impact.

After careful consideration, Bishop determined that the best course of action was for GAL and FSI to go their separate ways. Bishop notified Dee Grafton of her intent to formally request that the board spin-off GAL as an independent agency from FSI. Bishop addressed the full Board with this proposal at their April meeting expressing a number of concerns.

1. The current financial system was unsustainable. The GAL program was funding the entire agency while FSI continued to become deeper and deeper in debt. The agency had already exhausted a $50,000 line of credit and had been forced to liquidate portions of its endowment. Approximately $100,000 remained in the endowment, but if the agency continued to operate without new sources of revenue, the endowment would be exhausted within 1 year.

2. The board of directors for FSI was ill matched for the GAL mission. While the board did include the a pro-bono child welfare attorney and a financial planner who had been a longtime supporter of GAL, the rest of the board consisted of a human resources manager and a small business owner primarily concerned with the FSI counseling program and five mental health professionals who tended to focus on the operations of the counseling program and MHA. Separation of the program would allow the FSI board to focus on a unified mission without such diverse programmatic efforts. This would allow them to conduct more targeted fundraising, an area in which they historically had been weak.

3. Recent Illinois statutory changes have increased the number of children in need of GAL services. In order to meet these demands, GAL needed to expand. This appeared unlikely within the current management structure and given the current financial demands that the FSI counseling programs put on GAL revenue.

As part of her presentation, Bishop expressed support for the separation from the state GAL director, the juvenile judges for Madison County (a major agency stakeholder), several of the agencies largest donors, and two past GAL program directors. The FSI Board of Directors voted to form an ad hoc committee to review the proposal. Salmon wasn't sure who best to place on the ad hoc committee. She wanted a committee composition that would not predetermine a solution, but also one that would ensure the success of all of the agency's programs. It was important for her to determine what individual characteristics would be useful on this type of committee.

She was able to rally support around a three person committee that weighed sub-agency allegiance, professional expertise and clout with the full FSI board. The first committee member was Frank Plato, a current FSI board member who had been a longtime supporter of the counseling program. His primary concern was the health of the mental health sub-agencies; however his success as a local businessman made his contributions to the subcommittee invaluable. Moreover, his financial support and long term involvement with FSI made him influential with the larger board. The second committee member, Candy Singer, was a pro bono attorney who had worked with both programs but who had more extensive contact with the GAL program. Singer tried to remain objective, but was certainly seen by the FSI board as a ringer who was only out for the best interest of the GAL program. The third subcommittee member was Kelly McGovern. McGovern was the past GAL program director, but currently worked with the Madison County Courts. Given that the courts were a major program funder, here insight on the judges was invaluable for the committee's decision. Salmon felt that with this board, all programs would be represented and that the subcommittee would be able to weigh both legal and management considerations.

The committee met repeatedly in 2008 with meetings in June, July and September. The sub-committee was originally much divided, with Singer advocating for complete separation and Plato insistent on reform within the current structure. McGovern tended to walk a more moderate line. Gradually, over the four months of meetings, positions tended to soften, in the end, they were able to make a recommendation to the full board that met a number of criteria. They made their final recommendation to the FSI Board of Directors in October 2008. Their recommendation met the multiple goals of 1) working for long term financial independence for each sub-agency, 2) maintenance of sub-agency missions and 3) opportunities for program growth and improvement.

Part Two

At the October 2008 FSI board meeting, the FSI board voted to allow CASA to separate. While the Ad Hoc committee that the board had formed to investigate the separation was initially torn, three months of meetings led them to believe that it was the only logical step. With their support, the full board had little reservation about encouraging separation. They asked Kay Bishop to initiate action to allow GAL to become an independent 501(c)3 organization.

In November, Bishop formed the GAL steering committee that was incorporated into the GAL Inc. Board, one month later. The board included a number of individuals drawn from the public and private sector with unique skills to aid in the formation of a new agency. This included the CEO of a local government contractor, a fund development officer from the local university, a financial advisor, the owner of a local computer firm, a philanthropist who had formally worked in the local school system, a retired state family services caseworker, the executive director of a local youth based nonprofit, a local attorney who had represented GAL clients in the past, the former GAL director and attorney, a professor of nonprofit management, and James Temple, the owner of a local real estate firm. Temple became the director of the new board and the last four members served as the negotiating team.

Temple was not a native of Flowerton, but had become a staple of the community in the few years that he had been there. As an owner of a real estate firm, he had adopted a marketing strategy based on philanthropy. This had given him an opportunity to really engage the community. His reputation as a person who cares about the community had endeared him to other civic leaders, but his hard-nosed business knowledge made him a force to deal with. His business expanded rapidly because of his expertise and he demanded the same professionalism in others.

The new board met for the first time in December of 2008 and developed a letter of intent to take over management of the GAL program. Additionally, the GAL Inc. board began setting up infrastructure to manage the soon to be independent agency including securing health and business insurance, workers compensation, set up accounts with the state for unemployment, identifying property for the new GAL offices, acquiring office equipment, gain state and national certification, developing personnel policies, acquiring a new telephone number and getting quotes for financial services.

FSI received the GAL Inc.'s letter of intent to separate in January and formed a negotiating committee headed by Heather O'Donnell, the current FSI board president. Given the agencies current financial problems, the FSI board had let Dee Grafton go to save costs. As a result, O'Donnell had begun supervising the two program directors in addition to her full-time job as a human resources manager at a regional accounting firm.

The negotiating teams for the two boards met in late January. The meeting was informative but somewhat tense. In February, when the GAL Inc. board received its 501(c)3 authorization and was the recipient of a major state grant, negotiations declined rapidly. The new GAL Inc. board felt well suited to take over the GAL program and began to push for an accelerated timeline. While the FSI board was reluctant to turn over the program without ensuring that the new board was equipped to handle its management. Moreover, it became clear that there was a wide gap between how the new board understood the FSI's vote to spin off the GAL program and how FSI understood that same vote. The FSI board understood their October vote as a vote to *eventually* release the program once sufficient infrastructure and financial capital were acquired. The new

GAL board understood the vote as a request to take over the management of the agency with its current assets as soon as possible.

In many ways, these differences of perspectives were embodied in Temple and O'Donnell. As a human resource officer O'Donnell was accustomed to rules. She thought negotiations needed to be structured and every detail attended to. Temple had become successful because of his willingness to take risks. He had rarely been unsuccessful and knew that GAL could thrive if only it was freed from the financial constraints of FSI. As such Temple and O'Donnell came to blows in almost every interaction. Temple saw O'Donnell as a "penny pincher" or "micromanager" while O'Donnell was not shy about accusing Temple of "hostility" and "arrogance."

Furthermore, there were a number of points for negotiation that stifle the transfer. These included:

- The biggest obstacle to separation was financial. The FSI programs had never had independent books but had operated as one financial entity on strict line-item budget without programmatic allocations. As a result, it was impossible to know how much revenue and expenses each program had. Moreover, this created confusion amongst the negotiating committees with the FSI negotiation committee mistakenly believing that the STC program was flush with funds while the GAL program was barely staying afloat. This led the FSI negotiation committee to be reluctant to release the program without sufficient assurance that the new board would be able to support it financially. Alternatively, the GAL negotiating committee program saw the GAL program as fairly lucrative and wanted cash to be transferred with the program to sustain its operations.

- Financial concerns extended to long-term assets and liabilities. FSI had taken on $50,000 line of credit that had been used to sustain the agency. The FSI position was that the GAL program has benefited from these funds and thus the new GAL board had some responsibility for payment of this debt, while the GAL program saw these expenses as accruing as a result of the financial mismanagement of the STC program. Additionally, FSI had benefited from an anonymous endowment to support its efforts. $100,000 of this endowment remained and was managed by a local financial services firm. Bishop believed that the donor's original intent was that this endowment support the GAL program, while O'Donnell saw the program as an asset of FSI. The donor was contacted through the financial planner and expressed that his intent was "to help children."

- In addition to financial assets, there was concern about physical assets and leases. The GAL program used any number of desks, file cabinets, computers and other office equipment that had no book value, but would have been expensive to replace. Paramount amongst these concerns was the telephone system. The GAL negotiation committee saw equipment currently used by the GAL program as an asset of the GAL program and believed that it would transfer with the agency. While FSI had no current needs for these assets, they saw them as property of the FSI and believed that transferring them with the program would be a violation of the donor intent for those who funded them. The exception to these concerns was two computers that were funded by a grant that assigned the computers explicitly for use by GAL personnel.

- If the GAL program was to be transferred with no assets, the GAL negotiating committee assumed that it was also be free of liabilities. However, FSI could no longer afford their lease in a downtown office suite without sharing the space and costs with the GAL program. The lease was to continue for one year and the FSI program was clear that continuing to share lease expenses was not negotiable. The GAL program was comfortable with the space, but was hesitant to remain financially intertwined with FSI. Subleasing from FSI would continue to intertwine the programs and threaten the GAL program were FSI to close and default on its lease.

- This concern about intertwining the programs extended to the relationship between the agencies and the United Way. The GAL program received a small annual allocation ($5,000) from the United Way. However, United Way guidelines require that an agency have its 501(c)3 designation for three years before it becomes eligible for United Way Funds. While the GAL program has existed for 25 years, the GAL agency was newly incorporated. The United Way expressed interest in continuing to fund the GAL program but was unwilling to compromise on its requirement for three years of nonprofit status. One alternative was for the United Way to continue to fund FSI and GAL Inc. would serve as a sub-grantee to FSI. This would create a monitoring burden on FSI and make GAL Inc. beholding to FSI. The requirements of this relationship would need to be negotiated.

- The last major asset of concern during the negotiation was the donor mailing list. Over the history of FSI, a donor list had been developed and used in tri-annual solicitations. These direct mail solicitations were an important source of revenue for both agencies. While some donors had been earmarked as GAL or FSI friends, FSI saw the list as an asset of FSI and expressed multiple concerns about transferring the list with the program. First, they expressed privacy concerns for the donors. Before any names and addresses could be transferred, FSI required that the GAL program give the past donors an opportunity to “opt-out” of the GAL fundraising list. FSI expected the GAL program to fund contacting the donors to give them the “opt-out” option. Second, FSI required that the GAL program have sufficient financial resources to sustain the program but were unwilling to allow the use of the mailing list to raise start up funds. FSI saw funds raised through the mailing list as FSI related and dedicated to continuing FSI operations.

- Similarly, ownership of major fundraising efforts was disputed. Historically, the GAL program had sponsored two major fundraising events. The first, a playhouse raffle, took place from June to August and usually netted the agency approximately $20,000. The second, a fundraising dinner, hosted by Aussie Steakhouse, took place in March. GAL is the national philanthropy of The Aussie Steakhouse and the fundraiser has historically raised about $10,000 annually. However, recent years, produced much more moderate profits of $2,000 to $3,000. The issues for negotiations were twofold. First, which agency would plan and benefit from the 2008 fundraisers. Second, who would “own” these fundraisers once separation was complete. The GAL board was hesitant to be involved in the Aussie Steakhouse fundraiser given its low revenue and high effort levels, but this signaled to the FSI board a lack of commitment and fundraising capacity by the GAL board. The GAL board was eager to take over management of the playhouse fundraiser, but O’Donnell was hesitant to release it given her personal management of the fundraiser in past years.

- In addition to explicitly financial concerns, there were more administrative concerns. Among these was the transfer of employment files and child case files between agencies. FSI saw employment files as property of FSI and believe that the agency had a long-term responsibility to maintain them. Likewise, they believed that they could not lawfully release them to an outside agency even with consent of the employees. More importantly, the agency maintained almost 25 years of child case files. These are highly sensitive court documents of child abuse and neglect. FSI has acted as an instrument of the courts and was unsure about its ability to release these documents with the agency. GAL held that these documents were property of the program and not the agency and needed to be transferred for both legal purposes and continued use.

- Lastly, FSI required that current GAL employees resign before the agency could be transferred. FSI is concerned about long-term unemployment insurance expenses that would be present were the employees to be terminated. The GAL negotiating committee saw this as an internal matter, but could in good faith not require the employees to forfeit their right to unemployment claims as a conduction of employment with the future agency.

The negotiating team needed to determine a way to have these substantive positions resolved. They realized that they needed to focus on issues rather than positions, but this was often easier said than done. If only there was a neutral third party that could have reviewed these conflicts and made a recommendation so both sides could be accommodated.

While the substantive concerns were in the forefront of the negotiation, there existed normative concerns that inhibited action. Normative concerns do not address issues to be debated but rather the relationships among actors and the process of deliberation. These concerns were rarely made explicit but underlie every interaction.

Paramount among the normative concerns was fear about the survival of the agencies. The GAL Inc board was uninterested in taking over the GAL program if it meant that the program had insufficient resources to survive. Similarly, they were overwhelmed by the fear that were they not to take over management of the program that FSI would close and the GAL program would close with it. Alternatively, FSI had a long-term investment in the GAL program and was unwilling to release the program without sufficient assurances that the program could survive on its own. At the same time, they were reluctant to release the program with much accompanying capital for fear that the release of assets would diminish the long-term survival of other FSI programs.

Second, the FSI board and GAL board had two fundamentally different understandings of the financial situation, relationship among programs, and role of board actors. The lack of shared understanding, and thus communication, among the boards led to a culture of distrust. The GAL board felt that the FSI board was regularly changing their demands and thus making negotiation impossible. However, the FSI board saw these changes as purely a response to new information and new understanding. Conversely, the FSI board saw the GAL board as selfish in the demands that they were making for resources to support the new program, while the GAL board saw this responsible action in their role as trustee of the new agency. As a result, negotiation was always delicate and often hostile, as each board saw the other as untrustworthy and unreasonable.

Lastly, the negotiation was carried out in a public context. FSI and GAL had long received tremendous support from the Flowerton community. Thus all those involved in the negotiation were sensitive to soiling the agencies reputations with a messy public debate. Public knowledge of the negotiation could taint both agencies with a reputation for mismanagement and decrease future fundraising potential. As a result, FSI was hesitant to make the negotiation public for fear of it falling through. Yet, GAL Inc. wanted to "unveil" the new agency in order to help with fundraising. Additionally, were the negotiations to become deadlock, GAL knew that their ace in the whole was public knowledge of past financial management by FSI executives that was at best irresponsible and at worst illegal.

Over the course of the negotiation, Temple and Plato came to find common ground. They were aware of the normative concerns that were keeping the board apart. Plato suggested a luncheon, catered at his expense, where the boards might try to find a basis of trust and common ground. While the luncheon was civil, it didn't yield much fruit. Temple and Plato struggled to find ways to bridge the normative chasm between the groups.

Given this negotiating context and these points of contention, achieving separation would be a challenge. Not only were the negotiators approaching the situation from differing vantage points, but their positions appeared irreconcilable. Attempts to reconcile them would take much longer than GAL representatives had originally hoped.

Part Three

Negotiations continued into March. However, rather than making progress, negotiations become more tense. First, O'Donnell became much more involved in the day to day operations of FSI and the GAL program. This was prompted by the cost-saving decision to eliminate the executive director and aggravated by further reductions in administrative staff. O'Donnell was in the office daily and had become involved in every decision from the maintenance of the copier to approving the purchase of stamps. This was predicated on the need to scrutinize expenses but came to have a major impact on both staff moral and FSI's expectations regarding the negotiation.

O'Donnell's daily involvement frustrated staff because her regular requests for information hindered their ability to engage in program related activities. Likewise, her scrutiny of the program for which she had little knowledge undermined the expertise and autonomy of a generally professional staff. Yet, O'Donnell saw her involvement as necessary for the financial survival of the organization. In fact, the GAL Inc. boards, failure to become involved in day to day operations signaled to O'Donnell that the new board was either not invested or unable to manage the operation. She continued to stipulate separation on greater involvement by the GAL negotiating committee, an investment that the GAL officers saw as both inappropriate and unproductive.

This tension came to a head when Bishop appealed to the GAL board for some relief. She stressed, "Many of the staff are considering leaving. They just cannot continue working within an environment that seems so toxic. The distrust from Heather [O'Donnell] makes them not want to be there and the rules that she has created mean that they spend all of their time filling out paperwork or receiving my permission and they have not time for their assigned cases. If we don't do something quick, they are going to leave." The board understood Bishop's concerns. They themselves were emotionally exhausted. When they agreed to be board members, none of them expected that this would be such a protracted endeavor. They knew that something needed to happen, but they didn't have a lot of hope.

Second, the GAL board and FSI board continued to lack much of a shared basis for understanding the organizations' finances. The period in early March experienced several breakthroughs. First, the negotiating committees agreed to liquidate half of the endowment in order to pay off the line of credit, thus reducing the need to negotiate over ownership of liabilities. Second, a review of the 2008 audit and the separation of the 2009 budget into programmatic expenses made clear to both parties that GAL was the more lucrative of the programs. While this reduced concern among FSI negotiators about GAL's long-term health, it created greater urgency to secure the financial health of FSI prior to separation.

These successes were quickly hindered by FSI's inability to clearly articulate outstanding liabilities and by the GAL Inc. board's view that FSI bookkeeping was continuously fuzzy. In particular, the FSI accountant confirmed for the GAL board that there were no past due accounts payable at the end of 2009, but in March GAL accounts were charged for late fees to the IRS for failure to file appropriate tax paperwork. The GAL negotiating committee viewed these expenses as due to mismanagement by FSI staff and inappropriate for GAL accounts, while FSI viewed them as part of normal operations for an agency that included multiple programs. Expenses and revenues were regularly reallocated among programs after the closing of monthly finances. Discrepancies among auditor's reports, FSI's understanding of internal financials and GAL Inc.'s understanding of agency finances continued to breed mistrust.

Despite the problems created by financial mismanagement, several GAL board members realized that this could be FSI's Achilles heel. If FSI had truly violated donor intent, then public knowledge of this violation would bring pressure on them to release the GAL program. However, the GAL program officers also knew that muckraking would tarnish both agencies that had historically had a lot of public support. Given the lack of evidence and potentially harmful repercussions, this needed to be viewed as a last resort.

While negotiations remained tense throughout the next several months, two factors contributed to the ultimate success of the negotiations. First, the O'Donnell invited two members of the GAL Inc. board to join the FSI board. This allowed the GAL board to understand the concerns and positions of the FSI board, as well as a clearer communication route between the boards. More importantly, these two GAL/FSI members and two existing FSI board members formed a GAL management committee to directly supervise Bishop without the intervention of O'Donnell. This provided Bishop with support in her increasing responsibility, shielded Bishop from O'Donnell's scrutiny, and supplied direct feedback to the board about the status of the GAL program. Additionally, it provided O'Donnell confidence that the GAL program was being responsibly managed and that the new GAL board was committed to the program's success.

Second, the negotiating committees came to greater level of shared understanding about the agencies' financial picture. The FSI bookkeeper created greater delineation between the STC finances and the GAL finances. As the year progressed, the GAL budget showed an increasing surplus while the STC program slipped into greater debt. What had previously been known by the GAL Inc. board became clear to everyone – the GAL program could continue to support itself financially as an independent agency. The FSI board agreed to allow the GAL Inc. board to take over management of the program once they had secured enough cash to cover two months of operating expenses, approximately $40,000.

This was aided by a successful fundraising push by the GAL Inc. board. While O'Donnell supervised, GAL board members took over operation of the playhouse fundraiser. Both boards were successful in making the separation public without tarnishing the reputation of either organization. The public knowledge of the separation allowed the Flowerton community to unite behind the fundraiser making it the most successful year ever. This was facilitated by newspaper coverage of the separation solicited by the GAL board. Additionally, Bishop applied for and received an $8,000 grant from the city of Flowerton to facilitate the transition. Lastly, FSI sent a letter to GAL supporters asking for financial donations. This letter was funded by the GAL board who had lined up matching sponsors to increase the revenue from the spring mailing. The letter also included the "opt-out" language so that GAL Inc. could retain a copy, but not full ownership of the mailing list.

By the middle of the summer 2009, the GAL board had raised sufficient revenue to take control of the program. With the major financial concerns alleviated, the boards were able to reconcile other roadblocks in the negotiation. FSI retained control over the remainder of the endowment. While GAL continued to believe that the endowment's intent was the advancement of GAL program, the GAL Inc. board acquiesced as a good faith gesture and to easy the negotiation. FSI allowed GAL staff to retain their desks, file cabinets, and computers. Phones and other technology infrastructure were leased from FSI as part of a sublease on the office space. Likewise, GAL remained a sub-grantee of FSI with regards to United Way funding for the remainder of the fiscal year. GAL opted to not continue their relationship with the United Way after that period.

The court ordered the transfer of the files with the GAL program, thus relieving any confidentiality concerns that remained for FSI. FSI was never willing to release personnel files to GAL. Instead, Illinois law requires that employees be given access to their personnel files. GAL employees were asked to request a copy of their FSI personnel file and transfer it to the GAL board. This helped ease the transition between agencies. FSI continued to require GAL program employees to resign. The GAL board remained neutral in this conflict. When GAL program employees refused to resign, FSI had no recourse. However, this has had no long-term impact on either organization.

The negotiation of these matters continued through most of the summer of 2009. While the boards never completely overcame the trust deficit, in October, the directors of both boards signed an agreement officially transferring the program and agreed upon assets to the GAL Inc. Board.

Epilogue

Shortly after the separation, FSI liquidated the remainder of the endowment to meet current liabilities. In January of 2010, FSI ceased operations. They sold their remaining technology infrastructure to GAL Inc. and liquidated other assets to meet outstanding liabilities. GAL signed an independent lease and continues to occupy the same space. GAL has continued to expand and has dramatically increased the number of children served since the separation. GAL Inc. is financially healthy with six months of operating revenue in reserve and continued community support.

Timeline

February 2008	Kay Bishop first met with Jessica Salmon (FSI BOD President) to address concerns of viability of FSI
March 2008	Kay Bishop informed FSI ED (Dee Grafton) of intent to request GAL program to separate from FSI
March 2008	Kay Bishop submitted written formal request to FSI BOD Executive Committee
April 2008	Kay Bishop requested ad hoc committee to be formed to evaluate possible separation
May 2008	FSI BOD requested Kay Bishop appoint two people for ad hoc committee
June 2008	Ad hoc committee was created to investigate the separation First meeting included Kay Bishop
July 2008	Ad hoc committee met
September 2008	Ad hoc committee met
October 2008	FSI BOD voted to support GAL in separation
November 2008	Kay Bishop selected steering committee members
December 2008	Steering committee met first time
December 2008	GAL, Inc. became incorporated
December 2008	Steering committee delivered letter of intent to FSI Executive Committee
January 2009	Negotiation committee first meeting
January 2009	GAL, Inc. filed for 501c3 status – by laws created
February 2009	GAL Inc. received 501c3 status
February 2009	Negotiations stunted
March 2009	First benchmark to separate not met
April 2009	Negotiations continued
May 2009	Negotiations continued
June 2009	GAL Inc. took control of Playhouse fundraiser
July 2009	2^{nd} benchmark for separation not met
August 2009	Negotiations continued
September 2009	Negotiations continued
October 2009	GAL Inc. began full operation as independent agency
January 2010	FSI Dissolved

Major Actors and Acronyms

FSI: Family Solutions Incorporated – the parent organization of GAL and STC
STC: Sycamore Tree Counseling – the low income counseling program housed within FSI
GAL Program: The Guardian Ad Litem services provided as a part of FSI
GAL Board: The board developed to take ownership of the GAL program in the event of a separation. An independent nonprofit organization
GAL Negotiating Committee: A subgroup the GAL board that acts on behalf of the board to negotiate the terms of the separation
Kay Bishop: The director of the GAL program
Brian Friendly: The director of the STC program

Dee Grafton: Executive Director of FSI
Jessica Salmon: Outgoing board president of FSI
Heather O'Donnell: Incoming board president of FSI

Frank Plato: Local business owner, FSI board member and subcommittee member
Candy Singer: Pro bono attorney and FSI subcommittee member
Kelly McGovern: Past GAL program director and FSI subcommittee member
James Temple: Local business owner and GAL Inc./ GAL Committee Board President