

A Case Study: Building Greater Impact Through Strategic Consolidation

The Merger of Idaho Community Foundation and Idaho Nonprofit Center

Executive Summary

In November 2024, the Idaho Community Foundation (ICF) and the Idaho Nonprofit Center (INC) completed a strategic merger that united Idaho's largest statewide philanthropic institution with the state's leading nonprofit capacity-building organization. Unlike many nonprofit mergers driven by financial distress, this consolidation emerged from a position of organizational strength. Both organizations were financially stable, well-respected, and mission successful. Their leaders believed, however, that Idaho's nonprofit sector and philanthropic community would be better served through a single organization capable of integrating charitable giving, nonprofit education, leadership development, advocacy, and community investment.

The merger was the culmination of approximately eighteen months of planning and represented far more than an acquisition. Although ICF remained the surviving legal entity, participants consistently described the process as creating "a new organization" rather than one organization absorbing another. Central to its success were exceptional trust between the CEOs, aligned board leadership, willingness by leaders to sacrifice personal status for organizational impact, and an unwavering commitment to mission over institutional identity.

Today, Idaho Nonprofit Center continues as an operating center within Idaho Community Foundation, preserving its statewide nonprofit support functions while leveraging the Foundation's broader philanthropic resources.

Organizations

Idaho Community Foundation

Founded in 1988, Idaho Community Foundation serves all forty-four Idaho counties by connecting donors with community needs and distributing philanthropic resources throughout the state. Prior to the merger, ICF had awarded approximately \$185 million in grants and had become one of Idaho's most influential philanthropic organizations. Under CEO Steve Burns, the board sought to expand ICF's statewide influence beyond traditional community foundation work toward broader systems-level impact.

Idaho Nonprofit Center

Established in 2001, Idaho Nonprofit Center served more than 850 nonprofit organizations through education, advocacy, leadership development, the Idaho Gives campaign, and organizational capacity building. Led by CEO Kevin Bailey, INC had earned statewide credibility as the primary support organization for Idaho's nonprofit sector. While financially stable, its leadership recognized both emerging competitive pressures and opportunities to scale its impact through partnership.

Rationale for Consolidation

Perhaps the most remarkable aspect of this consolidation is what did **not** drive it.

Neither organization faced imminent financial crisis. Neither board was seeking a rescue. Neither CEO was attempting to preserve a failing institution.

As Tim Adams, then Board Chair of INC, observed, "There was no need for the organizations to merge. But there was opportunity to increase our impact." Both organizations believed they could have continued independently for many years. Yet they also recognized that the nonprofit ecosystem was changing. Community foundations increasingly face competition from commercial donor-advised funds, while nonprofit training and support services were becoming more fragmented across Idaho.

Rather than waiting until circumstances forced difficult decisions, the leaders asked a different question: "*What could we accomplish together that neither organization could accomplish alone?*" That question fundamentally changed the nature of the conversation. Instead of focusing on survival, discussions centered on statewide impact, mission expansion, and long-term sustainability.

Relationships Prior to the Merger

The merger did not begin with lawyers or consultants. It began with relationships.

ICF, INC, and United Way had collaborated previously on statewide initiatives, including disaster relief efforts and the Idaho Gives campaign. The organizations shared board relationships, grant relationships, and mutual respect. Kevin Bailey described the organizations as having "a joint, shared sister organization feel."

Steve Burns and Kevin Bailey developed a close working relationship through regular meetings over time. Trust accumulated gradually before merger conversations ever began. Only after months of collaboration did Steve raise what Kevin later described as "the big question": "*What would the merger of these two organizations look like?*" Approximately six months into those exploratory conversations, both CEOs invited their respective board

chairs—Doug Oppenheimer and Tim Adams—to join the process, expanding the circle of trust while preserving confidentiality.

Governance and Leadership

The merger's governance structure reflected unusual intentionality.

A joint committee consisting of both CEOs, both board chairs, additional board members from each organization, and one director serving on both boards guided the exploration process. Rather than attempting to persuade their boards, Doug Oppenheimer and Tim Adams invited thoughtful consideration.

Participants consistently described the discussions as respectful, candid, and mission centered. Doug recalled: "We had wonderful conversations. No debates... a safe space was provided." Rather than negotiating organizational victories, participants continually returned to a single question: "What's best for Idaho?"

The process demonstrated an important governance lesson: effective nonprofit mergers require boards to think as fiduciaries for mission rather than guardians of organizational independence. INC board members accepted dissolution of their independent corporation because they believed the INC mission would continue and could flourish through a dedicated center inside ICF. Tim served as a model, relinquishing his board chair role, placing the prospect of collective impact above his own title and standing.

Extraordinary Leadership

One of the merger's defining characteristics involved personal leadership decisions. In this case, both leaders are credits to their respective organizations and missions, impressive in their respective abilities to strive for the greater good.

Kevin Bailey agreed to relinquish his CEO title in INC to become Vice President for Impact for ICF under Steve Burns. Importantly, Kevin never described this as losing authority. Instead, he recognized the inherent professional opportunity and described feeling safe in the process. That's also a credit to Steve's confident leadership, empowering Kevin in his new role without feeling threatened. Doug, who led the search for Steve's selection as INC's leader in 2022, stated, "We hired the perfect guy." This consolidation experience would affirm that assessment.

Kevin believed he was joining the creation of something larger than either legacy organization. He also viewed the new role within the context of "building" —a recurring theme throughout his career. The possibility of future succession for Kevin also reduced

concerns about status while reinforcing continuity of leadership. There seemed to be a consensus that the merger likely would not have occurred had Kevin resisted giving up the INC CEO position. Perhaps at some point down the road, but not in 2024.

These leadership decisions illustrate a recurring theme throughout this merger: Mission consistently outweighed ego.

Preserving Identity While Creating Something New

Although Idaho Community Foundation became the surviving legal entity, leaders deliberately resisted framing the transaction as an acquisition. Several decisions reinforced this philosophy:

- Idaho Nonprofit Center continued as a dedicated operating center within ICF.
- Kevin Bailey continued leading the former INC programs.
- Tim Adams chairs the ICF board committee overseeing the center.
- All but one INC board member joined the ICF board.
- The new ICF board's first order of business was to create a new vision, mission, and values statement, honoring the past and charting a new future.
- A new strategic plan was developed for the combined organization.
- The organization prepared to relocate into shared office space, symbolically reinforcing the notion of beginning a new chapter.

Kevin Bailey summarized the philosophy succinctly: "This did not feel like one organization absorbing another. A new organization was created." This perception proved enormously important in maintaining trust and contributing to buy-in from staff throughout implementation.

The Hardest Work Began After Closing

Every interview participant shared one surprising conclusion: The merger itself was easier than the integration. The prospect of a merger gained momentum and enthusiasm when, as Steve put it, "the hard conversations were not hard." For example, when Steve and Kevin convened to draw up a consolidated staffing proposal, the task took less than one hour and there was shared ownership for the new design.

While strategic alignment occurred relatively smoothly, integrating finance, technology, reporting systems, staffing structures, governance practices, and organizational culture proved far more difficult. Most estimated the integration would require two years. It now appears likely to require closer to three. Both Kevin and Steve specifically cited financial systems as among the most underestimated challenges.

Staff transitions occurred with a predictable level of disruption, not easy but manageable. All INC staff members were offered positions in ICF, most if not all with increased pay and benefits. Some employees embraced the new organization; others preferred the former structures and departed. Interestingly, Kevin observed that more departures came from ICF staff than from INC employees, which seems a bit counter intuitive since INC was being folded into ICF.

The lesson echoed findings from broader nonprofit merger research: signing merger documents marks the beginning—not the end—of organizational integration.

Early Outcomes

Eighteen months after the merger, participants consistently described the consolidation as exceeding expectations. Observed outcomes include:

- Growth in philanthropic resources.
- Expanded educational programming.
- Stronger statewide nonprofit support.
- Integrated strategic planning.
- Increased organizational capacity.
- Strong board relationships.
- Preservation of INC's legacy.
- Continued leadership continuity.

Perhaps equally significant, leaders described a growing organizational identity that transcends either predecessor organization. ICF today continues refining how it explains itself publicly—a natural stage in creating a new institutional identity.

Lessons for the Nonprofit Sector

The Idaho Community Foundation–Idaho Nonprofit Center merger offers several lessons for nonprofit leaders considering strategic consolidation:

- **Merge from strength, not desperation.** Strategic mergers provide organizations with greater freedom to design the future than mergers driven by crisis.
- **Trust precedes transactions.** The merger became possible because executive and board relationships had been cultivated long before formal discussions began.

- **Leadership humility matters.** The willingness of leaders to sacrifice titles, authority, and organizational independence enabled the organizations to pursue greater collective impact.
 - **Governance drives success.** Strong alignment between CEOs and board chairs, and among boards, created confidence throughout both organizations.
 - **Preserve legacy while creating something new.** Rather than erasing organizational history, the merger intentionally honored INC's identity through a continuing operating center.
 - **Integration deserves as much planning as negotiation.** Finance, technology, culture, staffing, communications, and operations require dedicated leadership well beyond legal closing. Consider designating at least one full-time staff member to the integration process for the first year or two.
 - **Mission must remain the organizing principle.** Throughout interviews, participants repeatedly returned to one fundamental question: *"What's best for Idaho?"* That commitment to mission ultimately proved most important.
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Conclusion

The 2024 merger between Idaho Community Foundation and Idaho Nonprofit Center represents an emerging model for nonprofit consolidation.

Rather than preserving institutions for their own sake, leaders intentionally redesigned organizational structures to increase statewide impact. Their experience suggests that nonprofit mergers need not be rescue operations. When built upon trust, shared purpose, courageous leadership, and thoughtful governance, consolidation can become an instrument for innovation, greater effectiveness, and expanded public benefit.

The merger remains a work in progress. Organizational identity continues to evolve, systems continue to integrate, and culture continues to develop. The measure of success will be one all can embrace, whether Idaho's nonprofit sector and communities are better served than they were before November 2024. The outlook is positive. The future is bright.

Cary Paine, Senior Fellow

The Murdock Trust

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