

Chapter Policy

This Chapter Policy ("Policy") sets out the guidelines that apply to chapters of the [_____] ("Client").

1. Mission

Client is a section 501(c)(3) non-profit organization that [_____]. Client is a membership-based organization that strives to [_____].

2. Members

Client members include [____], individuals, and businesses throughout California working to [_____]. Members pay annual dues and are entitled to a number of benefits, such as newsletter subscriptions, recognition in certain Client publications, and rights to use the [_____] trademark.

3. Chapter Programs and Activities

3.1 Purpose

Members located in the same geographic area may form a Client chapter ("Chapter"). Members in the Chapter share a primary common purpose to further Client's mission by supporting [_____] within the Chapter's assigned geographic region ("Region") through engaging local advocacy, developing social connections, and planning events.

3.2 Chapter Programs and Activities

Each Chapter will be free to plan, develop, carry out, and publicize programs and activities as it sees fit, so long as these programs and activities are for the sole purpose of furthering Client's mission. These programs and activities may include:

- **Chapter Events:** Chapters may organize events and workshops in order to develop and promote Chapter initiatives, educate members and the public about issues in the Region, or provide social and networking opportunities for members.
- **Advocacy:** Chapters may advocate for local policy to support [____] in the Region.
- **Regional Programs and Events:** Chapters may sponsor and participate in conferences, panel discussions, forums, or other events in the Region.
- **Publications:** Chapters may develop newsletters, reports, educational materials, or other publications, and disseminate them to members or others in the Region.
- **Fundraising Projects:** Chapters may conduct fundraising activities to support their programs and activities.
- **Promotions:** Chapters may promote Client programs and activities through such vehicles as the Chapters may determine. Chapters may engage in public relations and outreach activities on their own behalf, subject to Section 8.
- **Recruitment:** Chapters may organize events in order to recruit new members and encourage membership in Client.

For clarity, no Chapter will have any right, power, or authority to enter into any agreement or otherwise bind Client without Client's authorization.

3.3 Client Support

To support Chapter programs and activities, Client may provide assistance as follows:

- **Project Opportunities:** Client may help Chapters identify new project opportunities to support [____] in the applicable Region.

- **Communication:** Client may provide each Chapter with relevant communications tools and other materials. Client will designate a liaison from its staff (“Liaison”) as provided in Section 5.5.
- **Statewide Matters:** Client may connect Chapters to statewide networks and policy initiatives.
- **Administration:** Client will manage bank accounts and membership lists at no charge to the Chapter, as described in this Policy.
- **Event Support:** Client may provide additional staff support at the request of the Chapter as described in Section 7.8.

4. Chapter Formation

4.1 Application

A Chapter may not be formed and maintained unless there are at least [_____] active, dues-paying Client members located in the Region. All Client members within the Region are automatically members of the Chapter should one be formed. To gain recognition as a Chapter, one or more members in a particular geographic area may submit a Chapter application form to Client.

4.2 Recognition by Board

Client’s Board of Directors (the “Board”) will review the application and, in its sole discretion, will determine whether to recognize the Chapter. If so determined, Client will establish the geographic boundaries of the Chapter’s official Region. Upon recognition by Client, Client grants to the Chapter, and the Chapter accepts, the non-exclusive, non-transferable right to be affiliated with Client in accordance with this Policy.

5. Governance

5.1 Chapter Representative

Each Chapter will select one individual (“Chapter Representative”) to serve as the principal contact with Client. The Chapter Representative will be responsible for the Chapter’s communications with Client. [If possible, the Chapter Representative should be a _____, in line with Client’s mission.]

5.2 Meetings

Each Chapter will hold at least [one] meeting per year. Each Chapter will send invitations to all active members in the Region, as well as to the Liaison, at least [two weeks] in advance of any meeting. The Chapter will provide the Liaison with an agenda and any other written materials distributed to members in advance of a meeting. Members in attendance will constitute a quorum. Each Chapter will keep minutes of each meeting.

5.3 Decisionmaking

Any decisions made on behalf of the Chapter (e.g. electing the Chapter Representative) will be communicated appropriately to all active members in the Region with reasonable advance notice. Each Chapter may, in its discretion, select officers and form committees and working groups.

5.4 Nomination to Client Board

The Board aspires to have directors who are also active in a Chapter. Any Chapter may nominate an individual (who may or may not be the Chapter Representative) for election to the Board by notifying Client, with the understanding that the Board has sole discretion in reviewing nominees and electing Board members.

5.5 Communication with Client

Each Chapter will maintain reasonable records of member communications, Chapter programs and activities, and minutes from Chapter meetings, and will provide such records to Client upon request. Client will designate a Liaison from its staff, as referenced in Section 3.2, to serve as the

principal contact with each Chapter. The Liaison will be responsible for communicating with the Chapter on Client's behalf, and may attend Chapter meetings, programs, and activities.

6. Membership

6.1 No Additional Dues

There will be no additional dues required of any members beyond the normal Client membership dues.

6.2 Recruitment

Each Chapter will work to recruit new members within the Region. Each Chapter will also connect with non-renewing members in the Region and encourage them to renew their membership. Client will provide each Chapter with relevant Client member information and communication materials to facilitate the Chapter's recruitment efforts.

6.3 Communications with Members

Each Chapter may communicate directly with members in the Region as it sees fit, and will provide copies of such correspondence to Client as provided in Section 5.5.

6.4 Membership Lists

Client will be solely responsible for managing Client member applications, collecting dues, maintaining the membership database, and sending renewal notices to members. Client will provide each Chapter with a list of active, dues-paying members in the Region at least quarterly. The list will include, for each member, contact information, the type of membership, the expiration date of the membership, and the amount of dues paid by the member.

7. Finances

7.1 Funds

For clarity, as described in this Section 7, all Chapter proceeds, including a portion of member dues, donations, and other revenues are property of Client. Client will make these funds available to the Chapter in accordance with this Section 7.

7.2 Bank Account

Client will maintain a separate bank account for exclusive use by each Chapter. Each Chapter will designate an individual ("Chapter Treasurer"), who may or may not be the Chapter Representative, to manage the bank account and other financial matters for the Chapter. Each Chapter may authorize the Chapter Treasurer and other individuals as signatories on the bank account, and will inform Client of their names.

7.3 Membership Dues

A portion of the annual dues paid to Client by each active member in a Region will be allocated to the applicable Chapter by Client. At least [twice] per year, Client will deposit the amounts allocated to a Chapter into the Chapter's bank account. The portion of membership dues allocated to a Chapter will be calculated as follows:

- For dues payments of [\$__] or more, an amount equal to [__ percent] of each member's dues will be allocated to the applicable Chapter.
- For dues payments less than [\$__], no portion will be allocated to the applicable Chapter and Client will retain the entire payment amount.

7.4 Donations

If the Chapter receives donations, the Chapter will promptly send them to Client. If required by the terms of the donation, Client will then allocate all or a portion of the donation to the Chapter in accordance with such terms. All donations should be made out to Client.

7.5 Other Revenue

Each Chapter may raise funds to support its own programs and activities. All income generated for and by such programs and activities may be deposited directly to the Chapter's bank account, for exclusive use by the Chapter solely in accordance with Client's mission and Section 3.2.

7.6 Spending Chapter Funds

Each Chapter may disburse funds from its bank account for the sole purpose of supporting its programs and activities in accordance with Client's mission and Section 3.2. Before hiring independent contractors or vendors, the Chapter will notify Client in advance and follow all applicable Client policies, including Client's Conflict of Interest Policy and contracting requirements.

7.7 Financial Responsibilities

The Chapter Treasurer will serve as the primary contact with Client regarding the Chapter's finances and will be responsible for:

- Reviewing and sending monthly bank statements to Client
- Making deposits and payments, collecting income, and otherwise tracking all financial matters
- Providing Client with a monthly detailed profit and loss statement of revenues and expenses, which reconciles with the applicable bank statement
- Retaining relevant records (e.g. receipts) to support the monthly statements and bank statements, and providing them to Client for inspection upon request

Client will be responsible for:

- Preparing and delivering acknowledgment letters for donations made to the Chapter
- Reconciling monthly bank statements
- Maintaining accounting files for each Chapter

7.8 Additional Support from Client

If a Chapter desires additional services from Client or its staff beyond the support described in this Policy, such as assistance with fundraising for a Chapter event, Client and the Chapter will enter into a separate agreement with terms that include, without limitation, the scope of the services to be provided by Client, the duration of the services, and the payment method. The hourly rate for services provided by Client employees will be [\$__]/hour, unless otherwise determined in the agreement. For administrative convenience, the Chapter will pay those amounts to Client from the Chapter's bank account.

8. Publicity

8.1 Identification as Client Chapter

Each Chapter may identify itself as a Chapter of Client in both its internal, member, and public communications. Each Chapter may not hold itself out as Client, and may not make any statement that may be interpreted as a statement from Client.

8.2 Public Statements

Each Chapter may develop and make public statements only in accordance with Client's mission and this Policy, including Section 3.2.

8.3 Use of Client Name and Logo

Each Chapter acknowledges that Client has an interest in maintaining the value of the Client name, logo, and reputation ("Client Marks"). Client grants each Chapter a license to use the Client Marks for identification purposes in written materials, including social media and other platforms. In order

to protect and to maximize the value of the Client Marks, each Chapter will: use the Client Marks only in the forms provided by Client; not combine the Client Marks with any other trademark, word, symbol, letter, design, or mark; not use the Client Marks in such a way as to give the impression that the Client Marks are the property of the Chapter or any member; and not use the Client Marks in a context that is otherwise inconsistent with Client's values and mission. If Client determines that any use by a Chapter is not consistent with this Section, the Chapter will, on Client's request, stop the use entirely or take corrective actions as may be specified by Client.

8.4 Political and Lobbying Activities

No Chapter will engage in political, legislative, or lobbying activities, except as coordinated with Client. Each Chapter will seek approval from Client before engaging with government authorities, including those in the Chapter's own Region.

9. Termination

Each Chapter will remain in existence until terminated by Client. Client may, in its sole discretion, terminate a Chapter at any time for any reason, including, without limitation, (a) failure to maintain at least [____] active, dues-paying members; (b) breach of this Policy, including mishandling of Chapter finances; or (c) failure to operate in line with Client's mission. Upon termination of a Chapter, the Chapter will promptly cease any use of the Client Marks and may no longer hold itself out as a Chapter of Client. After termination, Client may, at its sole discretion, revoke the Chapter's access to the Chapter bank account and allocate any remaining balance in the Chapter bank account to projects that further Client's mission. Termination of a Chapter will not affect the Client membership of Chapter members.

10. General Provisions

10.1 Limitation of Liability

Client will not be liable to the Chapter or any of its members for any action Client takes or omits to take in connection with this Policy or the activities contemplated by this Policy, except for any liability due to Client's gross negligence or willful misconduct.

10.2 Legal Effect

This Policy and participation in Chapter activities does not create a joint venture, partnership, or any other entity. This Policy is legally binding on each Chapter, Client, and all members.

10.3 Amendments

This Policy may be amended or repealed and new provisions may be adopted by approval of Client. Client will notify the Chapter of any amendment to this Policy.

10.4 Waiver

Waiver of any breach or provision of this Policy shall not be considered a waiver of any later breach or of the right to enforce any provision of this Policy.

Adopted: _____

Chapter Application

Please provide the following information and respond to all items. You may use additional pages as needed. Please submit this form to [designated Client representative]. Client will review the completed application and contact the person identified below.

The name of the proposed Chapter is:

I would like to form this Chapter because:

The geographic boundaries I propose for the Chapter are:

Three different programs or activities that I foresee the Chapter organizing are:
• • •

I understand that a Chapter must have at least [_____] active, dues-paying members in the proposed area. Other Client members in my area who are interested in participating are:

The Chapter's governance and decision-making process will be:

The principal contact person for the proposed chapter is:	
Name	
Telephone Number	
E-mail	
Address	

By signing below, I acknowledge that I have received a copy of Client's Chapter Policy and understand its terms.

Print Name: _____

Date: _____

Signature: _____