

## **2. CHAPTER AFFILIATES**

### **Scope**

These policies cover the formation of chapter affiliates, chapter assessment fees, approvals, and Chapter Bylaws

### **Governing References**

- NIGP Bylaws - Article VII sets forth the organization and authority of NIGP Chapter Affiliates.
- These Governing Board-adopted policies are supported by Chapter Affiliate practices which provide greater details on processes. The Chapter Affiliate practices shall be developed and modified by the Chapter Ambassador Committee and approved by the Member Council in its best interest.

### **General**

Pursuant to Article VII, *Chapters*, Section 1 of the **NIGP Bylaws**, Chapters may be organized to promote the accomplishment of the Institute's purposes.

#### **A. Formation and Charter**

Any group of public procurement officials who represent a minimum of five (5) NIGP-member agencies and who are desirous of forming a chapter of the Institute shall execute a petition in the form prescribed for this purpose. The NIGP Chapter Formation Guide (Appendix B) shall contain Chapter petitioning requirements, documents, and procedures as approved by the NIGP Member Council.

The petition to charter a new chapter affiliate shall be presented to the Member Council for approval prior to the scheduling of a chartering ceremony.

The NIGP Member Council shall authorize the allocation of start-up funds to each new NIGP Chapter. If the allocation is not budgeted through the annual appropriation and the funding request exceeds \$2,500, the Member Council shall seek a non-budgeted allocation from the Finance Council. Said funds will be provided at the time of the official charter. Additionally, NIGP will also cover costs up to \$500 for the chapter to become incorporated as well as pay for the Chapter General Liability Insurance on a yearly basis.

A group of Individuals shall also have the option to become a branch of an established NIGP Chapter. The NIGP Chapter Formation Guide shall contain the process in which they are established.

**B. Chapter Affiliation Agreement**

NIGP and chartered chapter affiliates shall jointly execute a Chapter Affiliation Agreement, as revised by both parties from time to time in their best interests, which outlines the guiding principles and an operating framework that defines areas of accountability, responsibility, authority and promotes the appropriate collaboration necessary to meet shared goals.

If an Agreement is not executed or if an Agreement is executed and subsequently terminated by either party, the chapter shall surrender its charter in accordance with the policies outlined in this section.

**C. Institute Accountability**

NIGP is not accountable or responsible for any financial commitments or obligations executed by a Chapter.

**D. IRS Exemption**

All NIGP chapter affiliates operating in the United States shall attain exemption as a not-for-profit organization from the U.S. Internal Revenue Service (IRS). Such requirements will provide uniformity in complying with IRS requirements, reduce/eliminate a federal tax burden, and provide legal protections for the governing boards of the chapters.

NIGP will provide technical, legal, and financial assistance to any chapter affiliate wishing to apply under NIGP's group exemption. If a chapter affiliate decides not to attain exemption under NIGP's group policy, the chapter shall submit a determination letter from the IRS indicating that it has been exempted from federal taxation.

**E. Annual Reporting Requirements**

The Member Council shall determine the reporting requirements and related timelines. Such determinations shall be recorded in the Chapter Online Resource Guide and shall be communicated to the Chapter President at a minimum of ninety (90) days prior to the effective date of the new reporting period.

To be considered a chapter in good standing all required forms or documentation must be submitted by the appropriate deadlines. If a chapter fails to submit all the requisite reports for more than three (3) months following the deadline, the Member Council will be notified of the deficiency and shall determine whether to revoke the chapter charter in the best interests of the Institute.

**F. Chapter Assessment Fee**

The Finance Council shall formulate a schedule of and levy annual dues; subject to budget ratification by the Governing Board.

To be considered a chapter in good standing, the Chapter assessment fee shall be paid within sixty (60) calendar days of the invoice date. If a chapter fails to pay its assessment fee within one-hundred, twenty (120) calendar days of the invoice date, the Member Council will be notified of the deficiency and the policies related to delinquent Accounts Receivable defined in the Board Policy Manual.

**G. Chapter Bylaw Modifications**

Any modifications to the chapter's Bylaws shall be submitted to the Chief Executive Officer or designee prior to voting on and approval of the chapter membership. This review is intended to ensure that the modifications are consistent with NIGP's organizational policies.

If the bylaws are determined that such revisions are inconsistent with NIGP's organizational policies, the Chief Executive Officer or designee shall attempt to resolve the issue with the affected chapter's Board of Directors. If a resolution is not achieved, the Chief Executive Officer or designee shall inform the Member Council of the inconsistency(ies) in writing and the Member Council shall take official action in the matter.

**H. Chapter Officers**

The Chapter's President, Vice President, and either the Treasurer or Secretary shall be required to always hold a current NIGP Agency or Individual membership during the duration of the officer term.

If, during discovery, it is determined that a chapter is not in compliance with this requirement, the Chief Executive Officer or designee will notify the chapter president, in writing, of the deficiency and the chapter will have a maximum of sixty (60) days from the date of the notice to rectify the situation. If a chapter fails to correct the deficiency within one-hundred, twenty (120) calendar days of the notice, the Member Council will be notified of the deficiency and shall determine

the appropriate course of action in the best interest of the Institute. .

### **I. Chapter Revenue Sharing and Discounts**

NIGP chapter affiliates are encouraged to promote Institute membership and support Institute products and services. In exchange for this promotion and support, the Finance Council shall, in conjunction with the annual budget process, periodically review the value of the various rebates identified below:

1. NIGP provides a rebate to chapters that successfully encourage chapter members to apply for, and become, new Agency or Individual Members of the Institute.
2. NIGP provides a revenue-sharing rebate program to chapters that host in-person or virtual educational programs offered by the Institute. The current chapter president shall execute a Chapter Seminar Agreement which stipulates the terms and conditions of this partnership.

### **J. Chapter Visit Policy**

1. The Chapter Visit Program will be provided by members of the Chapter Ambassador Program, senior staff members, or members of the Governing Board.
2. All NIGP chapters shall be organized by geographical area with at least two individuals of the Ambassador Program representing each area.
3. Each Chapter is entitled to an official visit at least once every two years by an Ambassador, a senior staff member, or a member of the Governing Board. Chapters shall complete a Chapter Visit Request Form to provide details of the event to NIGP and NIGP staff shall collaborate with the designated visitor to schedule a visit. Each chapter shall also be asked to complete a Visit Feedback form to evaluate the visit .
4. All expenses allowable by Board policy and incurred via the Chapter Visit Program will be paid by NIGP if funding is allocated in conjunction with the annual budget appropriation.

### **K. Inactive Chapter Status and Reinstatement**

1. A Chapter may be re-classified into an inactive status for a specified period if the chapter's Board of Directors, by majority vote, requests an inactive status to the NIGP Member Council.

2. The Member Council shall determine, by majority vote at a duly authorized meeting, whether to grant the inactive status for a specified period.
3. If granted by a majority vote of the Member Council:
  - (1) The Chapter shall continue to receive communications and limited staff support.
  - (2) The Chapter shall not be entitled to any of the benefits outlined in the Chapter Affiliation Agreement.
  - (3) The Chapter's license to use the NIGP marks and NIGP's license to use the chapter marks is suspended.
  - (4) The Chapter shall not be required to pay a chapter assessment fee during this period.
4. If inactive status is not granted by a majority vote of the Member Council, the Member Council shall take action to revoke the Chapter charter for cause.
5. If a chapter decides to reinstate their status as an active chapter, the Chapter must meet the minimum requirements for forming a chapter to include the identification of officers and the submission of governance documents. A petition to reinstate a Chapter shall be reviewed and approved by the Chief Executive Officer or designee. If approved by the Chief Executive Officer or designee, the request shall be submitted to the Member Council for approval of reinstatement of active status, by a majority vote at a duly authorized meeting.

**L. Chapter Revocation or Surrender**

1. Revocation of a chapter charter for cause: Revocation of a chapter charter is accomplished by the Member Council by two-thirds (2/3) vote of the voting Council membership. Revocation shall be based on non-compliance with policies stipulated in this section.
  - a. Any officer of a chapter may appeal a decision by the Member Council to revoke the chapter charter by petitioning the Governing Board. The Governing Board shall hear the appeal, assess the evidence, and render a decision which shall be final and binding.
2. Surrender of a chapter charter for convenience
  - a. If the majority of the voting members of a Chapter's Board of Directors decides to surrender its charter with NIGP, said action shall be forwarded to the Chief Executive Officer or designee.

- b. The Chief Executive Officer or designee shall convene a meeting of the chapter's officers and the Chair and Chair-Elect of the Member Council. The purpose of the meeting is to determine, by mutual assent, the transparent process for surrendering the chapter charter that assures participation by the chapter's membership.
        - c. In the event the parties cannot mutually agree to a process for surrendering a chapter's charter, a chapter's charter shall be surrendered upon a publicly advertised vote where at least twenty-five percent (25%) of a chapter's members in good standing vote in favor of surrendering its charter to NIGP.
        - d. If the chapter's charter is expressly referenced in the chapter's bylaws and/or policies, the chapter shall comply with all requirements specified to amend or otherwise revise said documents prior to any final actions by NIGP.
        - e. If the process results in a decision by the chapter's membership to surrender the charter, the Chief Executive Officer or designee shall confirm the surrender of the charter in writing to the chapter's president; with a copy to members of the Member Council and Governing Board.
3. Reinstatement: A chapter charter that is revoked or surrendered may be reinstated by adhering to the same policies and practices established in this section for the formation and charter of a new chapter with the understanding that the date of the original charter may be utilized if requested by the chapter's officers.
4. In the event a chapter charter is revoked or surrendered the Chapter President or Treasurer shall, after satisfaction of all debts to NIGP and other debtors, retain the funds within the organization that survived the revocation or surrender or designate all residual funds to:
  - a. The NIGP General Operating Fund;
  - b. The NIGP scholarship fund
  - c. Another NIGP Chapter affiliate; or
  - d. A charitable trust requested by a majority vote of the chapter's board of directors and approved by the Member Council.
5. Within sixty (60) days of receipt of the official letter of revocation or surrender of the chapter's charter, whichever is applicable, the Chapter President or Treasurer shall transfer all properties and documents related to the chapter to the organization that survived the revocation or surrender or to the Chief Executive Officer or designee. If NIGP takes possession of

these properties, they will be stored by NIGP for a minimum period as required by applicable laws.