

12. REVENUE DIVERSIFICATION AND STRATEGIC PARTNERSHIPS

Scope

It is NIGP's policy to diversify its non-dues revenue sources and strengthen its financial stability through the creation of new programs and partnerships that align with NIGP's mission. To this end, programs may be established to support or strengthen NIGP Core Programs as well as new lines of revenue for the Institute.

A. Contributions to a NIGP Restricted Fund

1. NIGP staff is empowered to create opportunities for suppliers and stakeholders to provide cash contributions to a NIGP restricted fund as a 501(c)(3) non-profit charitable trust.
 - a. Contributions and their use must comply with IRS federal regulations as well as state and local laws governing (501)(c)(3) non-profit charitable trusts, NIGP's Code of Ethics, and policies addressing perceived and real conflicts of interest with the mission and operation of a restricted fund.
 - b. Contributions from a supplier or stakeholder may be designated for a specific program or initiative currently offered by the Institute or for the development of a new program.
 1. If a current program, the intent of the contribution is to offset current, budgeted expenses.
 2. If a new program, the intent of the contribution is to provide funding for the program's development. Under this scenario, acceptance of contributions is contingent upon the proposed new program being:
 - a) Consistent with the mission and priorities of the Institute;
 - b) Supported by a viable business plan developed by staff; and
 - c) Approved by the appropriate governing body as specified in policy.
 3. If the supplier or stakeholder does not designate the funds for

a specific program, the NIGP Finance Council shall allocate the contribution in the Institute's best interest; consistent with budget priorities.

- c. All suppliers and stakeholders shall have equal and impartial access to NIGP's program.
- d. Examples of a specific program or initiative may include, but not be limited to:
 - 1. General scholarships
 - 2. Scholarships to attend a specific NIGP event or educational activity
 - 3. Research grants and studies
 - 4. Educational programs
- e. NIGP shall determine how contributions are publicly recognized; consistent with the level of contribution and its designation, if applicable.
- f. As NIGP promotes these opportunities to members, suppliers, stakeholders, and the general public, it shall be transparent that NIGP does not endorse, promote or advocate any products and services other than those supported by a NIGP strategic partnership approved by the NIGP Governing Board. As such, contributions to a NIGP restricted fund does not represent an endorsement by NIGP of the contributor, its programs or services.
- g. Contributions will not be accepted under the following conditions:
 - 1. The contributor requires a binding agreement that obligates NIGP to provide any benefit other than public recognition;
 - 2. The contributor desires or requires influencing the way a program or initiative is produced;
 - 3. The contributor requires that a scholarship-related donation be made to a designated benefactor.

B. Strategic Program and Co-Branded Programs

- 1. Definitions:
 - a. Core Programs: Membership, Knowledge Management programs and Events. These programs are intrinsic to NIGP's identity as reflected in its Articles of Organization.

- b. Strategic Programs: Non-core, long-term, revenue-generating and brand-enhancing programs where NIGP determines that a procurement-relevant product or service will provide value to the procurement community and either develops and/or manages the product or service within its own resources or partners with a provider for developing and/or managing the product or service under a NIGP brand. The following are strategic programs of the Institute:
 - 1. NIGP Business Council
 - 2. NIGP Consultancy
 - 3. NIGP Accredited Cooperative Program
 - 4. NIGP Observatory
 - 5. NIGP Service and Commodity Code
 - 6. Universal Public Procurement Certification Council
 - c. Co-Branded Programs: Non-core, revenue-generating and brand-enhancing programs where NIGP determines to co-brand a procurement-relevant product or service already available from a provider in the marketplace. The purpose of co-branding is to educate members on a value-added product or service and to offer said products or services to the membership at a reduced cost.
2. NIGP staff is empowered to identify and evaluate Strategic Program and Co-Branded Program opportunities, and to develop supporting business cases.
- a. For Strategic Programs:
 - (1) A business case shall be presented to the NIGP Member Council. The business case shall define the alignment with NIGP's mission, provide detail on the scope of the program and intended results, provide a risk analysis, and provide a financial assessment that forecasts either revenue neutral or net revenue within three (3) years following the launch of the program.
 - (2) The NIGP Member Council shall review the initial Strategic Program and, if in support of the program, shall forward the proposal to the NIGP Finance Council for review of the financial and risk assessment.
 - (3) Upon recommendation by both the Member Council and the Finance Council, the proposed strategic program shall be forward to the Governing Board for final approval.

- (4) Contractual agreements in support of strategic programs shall:
 - a. Define terms and conditions related to the ownership, liability, and intellectual property of the product or service;
 - b. Define mutual responsibilities, outcomes, restrictions, and financial arrangements of both parties;
 - c. Define how NIGP's trademarks, servicemarks, logos, copyrights, and intellectual property are protected in accordance with Section 6 of this Manual;
 - d. Be reviewed by NIGP's Legal Counsel for legal sufficiency and revised by the Chief Executive Officer as appropriate prior to execution; and
 - e. Be exclusive to a single provider in the marketplace.
- (5) Upon execution of a strategic program:
 - a. No individual Governing Board or Council Member nor his/her public agency shall receive any benefit through a strategic partnership that is not also available to the membership.
 - b. A Governing Board or Council Member or a member of the NIGP Staff shall be allowed to provide public testimony in support of a strategic program; provided that they disclose their position within the Institute.
 - c. The NIGP Finance Council shall review any substantial material changes to the program, including dissolution, and, if it supports the changes or dissolution, the Council shall forward its recommendation to the NIGP Governing Board for final approval.
- b. For Co-Branded Programs:
 - (1) A business case shall be presented to the Chief Executive Officer. The business case shall define the alignment with NIGP's mission and provide detail on the scope of the

program and intended results.

- (2) The Chief Executive Officer is empowered to approve and dissolve all contracts executed in conjunction with co-branded programs.
 - (3) Co-branded programs should provide financial benefit to NIGP and its members. If the Institute endorses the product or service, a royalty and/or performance payment to the Institute is expected.
 - (4) Contractual agreements in support of co-branded programs shall:
 - a. Define terms and conditions related to the ownership, liability, and intellectual property of the product or service – with the understanding that the ownership of the product or service is retained by the provider so that NIGP has no legal liability;
 - b. Define mutual responsibilities, outcomes, restrictions, and financial arrangements of both parties;
 - c. Define how NIGP's trademarks, servicemarks, logos, copyrights, and intellectual property are protected in accordance with Section 6 of this Manual; and
 - d. Be reviewed by NIGP's Legal Counsel for legal sufficiency and revised by the Chief Executive Officer as appropriate prior to execution.
3. NIGP Staff will regularly assess each strategic and co-branded program for overall effectiveness and financial performance not less than every three years