



# CHAPTER AFFILIATION TOOLKIT

*Helping Chapters Meet Criteria for Affiliation*  
2013

The American Hospital Association

v. June, 2013

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# I) COMMUNICATION DOCUMENT

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## **Executive Summary**

Letter explaining the PMG Chapter Affiliation Agreement and Tool Kit.

## **Email Templates**

Email template explaining the PMG Chapter Affiliation Agreement and Tool Kit.

## **Tax Exemption Instructions for AHA/PMG Chapters**

## Executive Summary and E-mail letter TEMPLATE

Dear Chapter Leaders,

On behalf of the Division of Personal Membership Groups of the American Hospital Association, I am pleased to share several resources to help you develop or enhance your chapter activities. The AHA/PMG Chapter Affiliation Tool Kit (v. March 2013) contains instructions for establishing your chapter as a non-profit entity as well as other forms to help you comply with the terms of the AHA/PMG Chapter Affiliation Agreement.

Our primary goal in changing the Affiliation Agreements with PMG chapters is to minimize the risk of the PMG-Chapter relationship while fostering a relationship of collaboration on behalf of the profession each entity serves. The revised Chapter Affiliation Agreement was developed by staff with AHA Legal and outside legal counsel with expertise in non-profit organizations. The Agreement represents a commitment to the valuable role of chapters and the necessity of defining their relationship to the PMGs/AHA.

The new Agreement includes two levels of Affiliation, each with criteria that must be maintained by the chapters. Any Chapter wishing to be an affiliate must sign the agreement. Once affiliated, the Chapter will be required to share specific documentation with their PMG on an annual basis. The agreement does not need to be signed annually.

The following pages include a number of documents, samples, and instructions for complying with the Chapter Affiliation Agreement. The Tool Kit and other resources will be available on the PMG chapter website pages and will be updated regularly. If you have further questions about the Affiliation Agreement, please contact your PMG staff.

Sincerely,

Elizabeth Summy, MSc., CAE  
Vice President, Personal Membership Groups  
American Hospital Association

March, 2013

American Society for Healthcare Engineering (ASHE)  
[ashe@aha.org](mailto:ashe@aha.org)

Association for the Healthcare Environment (AHE)  
[ahe@aha.org](mailto:ahe@aha.org)

Association for Healthcare Resource & Materials Management  
(AHRMM)  
[ahrmm@aha.org](mailto:ahrmm@aha.org)

American Society for Healthcare Risk Management (ASHRM)  
[ashrm@aha.org](mailto:ashrm@aha.org)

Society for Healthcare Strategy and Market Development (SHSMD)  
[shsmd@aha.org](mailto:shsmd@aha.org)

Association for Healthcare Volunteer Resource Professionals (AHVRP)  
[ahvrp@aha.org](mailto:ahvrp@aha.org)

American Society for Healthcare Human Resources Administration  
(ASHHRA)  
[ashhra@aha.org](mailto:ashhra@aha.org)

Society for Healthcare Consumer Advocacy (SHCA)  
[shca@aha.org](mailto:shca@aha.org)

## Tax Exemption Instructions for AHA/PMG Chapters

We are providing the following information to help your Chapter obtain tax-exempt status. Obtaining this status will exempt your Chapter from paying federal income tax on net income related to its mission. Otherwise the Chapter is responsible for filing a business tax return, such as form 1120, and paying federal income tax on all net income.

The tax exemption process will involve the following:

1. File Articles of Incorporation – by incorporating, your Chapter will help limit the personal liability of its directors, officers, and members for the Chapter’s liabilities. Obtain the form for incorporating nonprofit corporations from the Secretary of State website of the state where your chapter is based. Complete the form and file with the applicable Secretary of State. A sample form Articles of Incorporation is enclosed with sample language to include in the purposes section and a “Rider” containing key provisions required for nonprofit corporations.
2. Obtain Employer Identification Number – Complete and file Form SS-4 with the IRS to obtain your Chapter’s Employer Identification Number. A sample Form SS-4 is enclosed. You can also apply online at <https://as2.www4.irs.gov/modiein/individual/index.jsp>. This number will be unique to your newly incorporated Chapter and should be inserted on the Form 1024 Application for Recognition for Tax Exemption (discussed below).
3. File Form 2024 (Application for Recognition of Exemption) – once you have incorporated your Chapter and obtained your Employer Identification Number, you can complete Form 1024 (Application for Recognition of Exemption) and mail the form along with the attachments (including Articles of Incorporation and Bylaws) and a check payable to United States Treasury (\$400 check if annual receipts are less than \$10,000; otherwise a check for \$850) to the IRS at Internal Revenue Service, P.O. Box 12192, Covington, KY 41012-0192.
  - a. A sample Form 1024 that has been partially completed using a fictional Chapter is included below. Review and complete the form and attachments before sending to the IRS. You will receive confirmation of your exemption by mail from the IRS.
4. File Federal Information Return with the IRS – You are required to file one of the following information returns with the IRS, which will be due five (5) months and 15 days after the end of your Chapter’s fiscal year (e.g. May 15<sup>th</sup> for fiscal years ending December 31).
  - a. Form 990-N (e-postcard filed electronically at <http://epostcard.form990.org>) – File if annual gross receipts are normally less than \$50,000.
  - b. Form 990-EZ – File if annual gross receipts are normally less than \$200,000 (and greater than \$50,000), and total assets are less than \$500,000.
  - c. Form 990 – File if you are not eligible for Form 990-N or Form 990-EZ.

Also, check with the Department of Revenue of the state where your Chapter is based to determine whether any state information filings are due.

More information can be obtained on the tax exempt process on the IRS website by searching “Form 1024 Instructions”.

# II) CHAPTER AFFILIATION AGREEMENT

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PMG Chapter Affiliation Agreement template follows.

## SAMPLE

ASSOCIATION FOR HEALTHCARE RESOURCES & MATERIALS MANAGEMENT

of the

American Hospital Association

### CHAPTER AGREEMENT

This Agreement, effective \_\_\_\_\_, 2013, is made between

the Association for Healthcare Resources & Materials Management of the American Hospital Association (“AHRMM”), an Illinois non-profit corporation,

and \_\_\_\_\_, (the “Chapter”), for mutual consideration, who agree to work together as follows:

#### 1. GRANT OF CHAPTER STATUS

1.1 Charter. AHA hereby grants to the Chapter, and the Chapter accepts by action of its governing body, a charter to be a chapter of AHRMM. The Chapter shall use only the designation "An independent chapter of AHRMM" or “An independent chapter of the Association for Healthcare Resources & Materials Management” with authority to use such designation in connection with the activities of the Chapter in conformance with AHRMM’s style guide set out in Exhibit A, as the same may be changed by notice from AHRMM.

1.2 Charter Grant Not Exclusive. Chapter is not entitled to any geographic or other exclusive right to solicit or serve members or operate as a chapter of AHRMM. AHRMM may, in its sole discretion, conduct its own activities within any geographic territory or region served by Chapter during the term of this Agreement. In addition, AHRMM may grant a charter to an existing or new chapter operating or intending to operate within any geographic territory or region served by Chapter. Chapter intends to focus its activities in the state of \_\_\_\_\_ or \_\_\_\_\_ area.

1.3 Criteria to Maintain Chapter Status. In order to maintain chapter status, Chapter must meet the criteria set out in Exhibit B by the indicated deadlines, and maintain compliance with such criteria on an ongoing basis as described in Exhibit B. AHRMM reserves the right to change the criteria for chapter status. In the event of any such change, AHRMM shall notify the Chapter no less than 120 days prior to the date such change takes effect. If the Chapter does not wish to comply with any such change in order to retain its chapter status, the Chapter may exercise its termination rights set out in Section 8 below.

## 2. OBLIGATIONS OF AHRMM

AHRMM's obligations under this Agreement shall include the following:

2.1 AHRMM shall:

- a) Permit the Chapter to utilize the AHRMM name in the name of the Chapter, provided that the Chapter adds words distinguishing the Chapter from AHRMM as required by Section 1.1, and adds words distinguishing the Chapter from any existing Chapters of AHRMM.
- b) Identify an AHRMM staff liaison as a point of contact to maintain and enhance the AHRMM-Chapter relationship.
- c) Provide all chapters, periodically, with a statement of chapter benefits that identifies the services to be provided to help chapter leaders offer opportunities for chapter education and networking events and to communicate with chapter members.
- d) Notify the Chapter of educational and other opportunities available to Chapter members, including those activities of AHRMM that will take place within the area served by the Chapter.
- e) Upon the request of the Chapter and space considerations permitting, post current information supplied by Chapter relating to its programs, products and services on the AHRMM website page devoted to chapter activities.
- f) Upon the request of the Chapter, provide an up-to-date list of AHRMM members residing in \_\_\_\_\_ [fill-in state or region to be included in the list] showing member name, organizational name and mailing address (the "AHRMM Mailing List"); provided, AHRMM shall not be required to provide the AHRMM Mailing List more often than once per year of this Agreement and use of the list shall be subject to the requirements in Section 3.2.

3. OBLIGATIONS OF THE CHAPTER

The Chapter's obligations under this Agreement shall include the following:

3.1 The Chapter shall:

- a) Promote membership in AHRMM.
- b) Promote and encourage the use of AHRMM programs, products and services.
- c) Comply with the criteria for chapter status in effect based on the applicable time period as set out in Exhibit B.
- d) Using the current template provided by AHRMM, supply an up-to-date chapter member list including member name, organization name, mailing address and email address (i) within 30 days after the date this Agreement is signed, and (ii) annually thereafter with the Annual Report required by subsection f, below.
- e) Supply a preliminary calendar of Chapter events for the upcoming year with the Annual Report required by subsection f, below.
- f) Using the current template provided by AHRMM, submit an Annual Report certifying compliance by Chapter with the applicable criteria for chapter status set out in Exhibit B no later than January 31 of each year.

3.2 Use of AHRMM Mailing List. Chapter agrees that each AHRMM Mailing List may be used once to promote Chapter programs and activities and that no AHRMM Mailing List may be resold or used to promote a third party. Chapter agrees to provide a copy of the material to be mailed to AHRMM members with its request and AHRMM reserves the right to refuse a list request if AHRMM determines in its sole discretion that the activities promoted in such material would result in a conflict with AHRMM activities.

3.3 Other National Personal Membership Organizations. The Chapter shall refrain from entering into an official relationship with another national scope personal membership organization without prior written approval of AHRMM.

3.4 Access to Records of the Chapter. Upon request by AHRMM, the Chapter shall provide AHRMM with such copies of records and such other information as AHRMM may reasonably request to confirm Chapter's compliance with the criteria for chapter status set out in Exhibit B. Chapter shall provide such materials to AHRMM no later than 15 days after the date Chapter receives the request.

#### 4. COMPLIANCE WITH LAWS

4.1 Compliance with Laws. Each party warrants that it has and shall continue to comply with all applicable laws, regulations, and other requirements that may affect its performance of this Agreement. Each party warrants that it shall make all required filings, such as annual corporate filings and tax filings, as may affect its corporate or tax status.

#### 5. USE OF AHRMM TRADEMARK AND MATERIALS

5.1 Use of AHRMM Trademark and Materials. Except as specified in Section 1.1, the Chapter shall not use, or cause or permit to be used by any person, the logos, trademarks, service marks, or trade names of AHRMM without AHRMM's prior written consent. In accordance with United States copyright law, the Chapter shall not make or cause to be made any copies of AHRMM's educational materials or membership publications, or resell any of same, without AHRMM's prior written consent. With respect to any permitted use of AHRMM's logo, mark, name, or copyrighted materials, the Chapter shall ensure that the applicable copyright or trademark notice is made, pursuant to requirements of U.S. law, the laws of applicable states, and any other guidelines that AHRMM shall prescribe. In any event, upon expiration or termination of this Agreement, all use by the Chapter of AHRMM's proprietary property, such as logos, marks, names, or copyrights, shall end immediately. The Chapter's obligations under this Section 5.1 shall survive the expiration or termination of this Agreement.

#### 6. CONFIDENTIAL INFORMATION

6.1 Confidential Information. Each party shall, during the term of this Agreement and thereafter, maintain the confidentiality of any or all of the other party's confidential or proprietary information or data owned by the other party which is identified as confidential at the time it is disclosed (collectively, "Confidential Information"). Such Confidential Information shall at all times remain the property of its owner and shall be deemed to be furnished in confidence and solely in connection with the party's obligations under this Agreement. Upon termination of this Agreement for any reason, the party shall immediately deliver to the owner all written documentation, including copies, of or concerning such Confidential Information, shall make no further use thereof, and shall make reasonable efforts to ensure that no further use is made by its employees, agents, or contractors. The confidentiality obligations under this Section 6.1 shall survive the expiration or termination of this Agreement.

#### 7. SEPARATE ENTITIES

7.1 Separate Entities. AHRMM and the Chapter expressly acknowledge and agree that they are, and shall remain, separate entities and that no partnership or agency is created by virtue of this Agreement. As such, neither party shall be authorized to incur any liability, obligation, or expense on behalf of the other. The Chapter is not liable or responsible for the debts or obligations of AHRMM and AHRMM is not liable for the debts or obligations of the Chapter.

## 8. TERMINATION OF CHAPTER STATUS

8.1 Termination for Failure to Comply with Criteria for Chapter Status. In the event the Chapter fails to meet the criteria for Level I or Level II status by the deadline for attaining such status set forth on Exhibit B, or fails at any time to maintain such status as required by Exhibit B, AHRMM may terminate the charter granted to the Chapter, with all of its attendant rights and obligations, effective ten (10) days after the date written notice of termination is sent by AHRMM.

8.2 Termination for Breach. Either party may terminate the charter granted to the Chapter, with all of its attendant rights and obligations, upon ten (10) days notice to the other party in the event of the other party's material breach of this Agreement.

8.3 Termination without Cause. Either party may terminate the charter granted to the Chapter, with all of its attendant rights and obligations, for any reason upon ninety (90) days written notice to the other party.

8.4 Effect of Termination. Upon delivery of notice of termination, for any reason and by either party, the Chapter shall promptly deliver to AHRMM a current roster of all members of the Chapter, including all contact information, to enable AHRMM to communicate with such members. From and after the date of termination, the Chapter shall cease to identify itself as a chapter of AHRMM, remove any reference to AHRMM from its name, remove the initials "AHRMM" from the Chapter's acronym, and may only utilize printed material bearing any mark of AHRMM with AHRMM's specific written permission for post-termination use. For a period of one year following termination of the charter, the Chapter shall refrain from entering into an official relationship with another national scope personal membership organization serving healthcare materials management.

## 9. WARRANTY; LIMITATION OF LIABILITY

9.1 WARRANTY. AHRMM MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) CONCERNING ANY EDUCATIONAL MATERIALS, EDUCATIONAL PROGRAMS, MEMBERSHIP PUBLICATIONS OR ANY OTHER ARTICLE OR SERVICE PROVIDED HEREUNDER. ALL GUARANTEES, WARRANTIES, CONDITIONS AND REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WHETHER ARISING UNDER ANY STATUTE, LAW, COMMERCIAL USAGE OR OTHERWISE ARE HEREBY EXCLUDED.

9.2 LIMITATION OF LIABILITY. THE CHAPTER ACKNOWLEDGES AND AGREES THAT AHRMM AND THE AMERICAN HOSPITAL ASSOCIATION SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES WHICH THE CHAPTER MAY INCUR FROM ANY CAUSE, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR TORT (INCLUDING NEGLIGENCE). IN NO EVENT SHALL AHA BE LIABLE TO ANY PERSON FOR LOSS OF PROFITS, LOSS OF USE, LOSS OF PRODUCTION, LOSS OF GOODWILL, OR INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND.

## 10. APPEAL

10.1 Appeal. A Chapter may request an opportunity to present an objection to a proposed termination under Section 8 of this Agreement to the AHRMM Board of Directors. The AHRMM Board of Directors shall have authority to review whether the proposed termination is consistent with the terms of this Agreement and to make a recommendation to the American Hospital Association Vice President, Personal Membership Groups (the “VP, PMGs”). The VP, PMGs shall have the sole authority to (i) permit the termination to proceed, (ii) suspend the termination for a period of time to permit the Chapter to meet specified conditions, or (iii) to withdraw the termination notice.

## 11. MISCELLANEOUS

11.1 Entire Agreement. This Agreement (together with any exhibits hereto) constitutes the entire Agreement between AHRMM and the Chapter with respect to the subject matter hereof. This Agreement may be amended only by a writing executed by both parties.

11.2 Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and venue for any litigation arising hereunder shall be Chicago, Illinois.

11.3 Waiver. Any waiver by either party to this Agreement of any provision shall not be construed as a waiver of any other provision of this Agreement, nor shall such waiver be construed as a waiver of such provision with respect to any other event or circumstance, whether past, present, or future.

11.4 Severability. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, the remaining provisions shall be enforceable to the maximum extent possible.

11.5 Successors and Assigns. This Agreement shall inure to the benefit of the parties and their successors and assigns. Neither party may sublicense or assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

11.6 Notices. Any notice contemplated by, or made pursuant to, this Agreement shall be in writing and made by courier, facsimile, or mail addressed or directed to AHRMM at 155 North Wacker Drive, Suite 400, Chicago, Illinois 60606 or the Chapter at the home or business address of the President of the Chapter in office at the time the notice is sent. Either party may change the address for notice by 10 days advance written notice to the other party.

11.7 Termination of Prior Chapter Agreement. This agreement supersedes and replaces any prior chapter agreement between the parties and terminates any such agreement on the effective date of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the date first written above.

FOR THE CHAPTER:

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(Chapter Name)

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(Signature)

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(Name)

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(Date)

FOR THE ASSOCIATION FOR HEALTHCARE RESOURCE & MATERIALS MANAGEMENT OF THE AMERICAN HOSPITAL ASSOCIATION:

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(Signature)

---

(Name)

---

(Title)

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(Date)

## EXHIBIT A

### **AHRMM STYLE GUIDE/IDENTITY STANDARDS**

This AHRMM Style Guide/Identity Standards is subject to change at the sole discretion of AHRMM. AHRMM agrees to give Chapter no less than 30 days prior written notice of any changes to the Style Guide/Identity Standards.

#### **Style Guide**

##### **Proper Use of Logos by AHRMM Affiliated Chapters**

The logos associated with the Association for Healthcare Resource & Materials Management (“AHRMM”) of the American Hospital Association (“AHA”) are considered trademarks. The purpose of a trademark is to assist in properly identifying AHRMM and what it does. It also helps prevent confusion. Proper use of logos prevents others from being confused as to which activities, services or materials come from AHRMM versus those that come from a chapter. It is important to recognize that our names and logos have value, so please help protect the value of our name and logos by following these guidelines:

##### **Naming Chapters, Products, Services & Events**

- Do not use a chapter name with the exact acronym as AHRMM.
- All chapter names must be pre-approved by AHRMM.
- Do not use any tagline of AHRMM.
- Do not use AHRMM name in advertising, product, service or event without prior written approval from AHRMM.
- Spell out the long-form name of your organization in a noticeable area on your materials, website, or other promotional materials.
- Do not use “American Hospital Association”, “AHA” or any other AHA trademarks, logos or taglines.
- Do not register trademarks, copyrights or other intellectual property that include the AHRMM name, acronym, logo, or tagline or any derivative thereof.
- Do not register a domain name containing our name, acronym, logo, tagline or any derivative thereof.

##### **Designs & Advertising**

- Design your products and advertising materials with unique brands and logos, or logos pre-approved by AHRMM.
- Do not use AHRMM name, acronym, logo, or tagline in a way that implies a partnership or sponsorship with AHRMM, or for fraudulent, abusive, or illegal activities.
- Do not copy the look and feel of AHRMM products, advertising materials, or website.
- In the first place where our acronym predominantly appears in promotional material, please use the ® symbol. AHRMM does not require use of the ® in reference thereafter.
- Distinguish your name and logo from AHRMM’s, and always describe your chapter as an “Independent Chapter” in relation to AHRMM.
- Do not alter AHRMM name or logo in any way inconsistent with the style specification noted below.
- Use only the image file supplied by AHRMM. If insufficient for use, please contact AHRMM for an alternate file.

The logo and seal may be used by affiliated chapters, only.

Logo	Color Specification
	<p>Blue: PM280</p> <p>Tints for triangle = 20%, 50%, 75%.</p> <p>CMYK color: C89 M50 Y11 K5</p> <p>RGB color: R64 G118 B171</p> <p>Web color: 4076AB</p> <p>Usage rules above apply.</p>

## EXHIBIT B

### CRITERIA FOR CHAPTER STATUS

#### A. Criteria for Level I Chapter Status

Every chapter must meet the criteria for Level I status. In the event Chapter cannot meet the criteria for Level I status on the date of this Agreement, it must meet such criteria by January 31, 2014 in order to retain chapter status. The Chapter must continue to meet the criteria for Level I status from that date forward. The Chapter must immediately inform AHRMM of any change in the chapter's compliance with any of these requirements. If the Chapter does not meet the criteria for Level I status at any time one year or more after the date of this Agreement, AHRMM will terminate chapter status as permitted by Section 8 of this Agreement. **Level I chapters must meet the criteria for Level II status (see B, below) no later than January 31, 2016.**

<b>Criteria for Level I Status</b>	
1	The chapter must have at least 20 members*.
2	Chapters with less than 100 members must have at least 15 members who are also AHRMM members*. Chapters with 100 or more members must have a minimum of 15% of its members who also are PMG members*.
3	The President and President-Elect of the chapter must be AHRMM members*.
4	The chapter must fully execute a chapter agreement with AHRMM.
5	The chapter must have obtained its own Employer Identification Number.
6	The chapter must maintain a bank account in the chapter's name.
7	The chapter must be incorporated as a not-for-profit corporation and be in good standing in its state of incorporation.
8	The chapter must have started the process for obtaining tax-exempt status from the IRS.

**\*Must be non-student.**

**B. Criteria for Level II Chapter Status**

Every chapter must meet the criteria for Level II status by January 31, 2016, as well as maintaining compliance with the criteria for Level I status. The Chapter must continue to meet the criteria for Level I and Level II status from that date forward. The Chapter must immediately inform AHRMM of any change in the Chapter’s compliance with any of these requirements. If the Chapter does not meet the criteria for Level I and Level II status at any time after January 31, 2016, AHRMM will terminate chapter status as permitted by Section 8 of this Agreement.

<b>Additional Criteria for Level II Status</b>	
9	The chapter must have a mission statement that helps advance AHRMM’s mission.
10	The chapter must be governed by bylaws that are compliant with relevant laws.
11	The chapter must obtain an exemption from federal income taxes under section 501(c) of the Internal Revenue Service code.
12	The chapter must maintain aggregate general or umbrella liability insurance having a minimum coverage of \$1,000,000 per occurrence and include proof of such insurance with its annual report.
13	The chapter must maintain directors and officers liability insurance and include proof of such insurance with its annual report.

## III) Must Haves for All Chapters

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### 1. **Bylaws**

Each Chapter, whether it is incorporated or unincorporated, must have bylaws. The bylaws are the Chapter's contract with its members. They set forth who can be a member, and how the organization is governed.

Sample bylaws are attached.

Once bylaws have been adopted, they can only be changed according to the process described in the bylaws. The provisions of the bylaws cannot be waived because they are inconvenient. If it is not practical to follow the provisions of the bylaws, they should be amended according to the amendment process.

### 2. **Federal Employer Identification Number**

Each Chapter must have a Federal Employer Identification Number, whether incorporated or unincorporated. This is similar to a "social security number" for an entity.

A federal employer identification number may be obtained by filing Form SS-4 with the Internal Revenue Service. A sample Form SS-4 is attached. Please fill out the form according to the specific information for your Chapter, using the sample as a guide. The easiest way to obtain the number is to fill out Form SS-4 online, at <http://www.irs.gov/>. It can be filed online, and the federal employer identification number will be sent to you the same day.

### 3. **Minutes**

Each Chapter must keep minutes of its board meetings and meetings of members. The board minutes should show the date and time of the meeting, which board members were in attendance, the nature of the business discussed, and the resolutions passed. Meetings of members should reflect the date and time of the meeting, whether a quorum of members was present, business discussed, and resolutions passed.

Minutes should be kept with the permanent records of the Chapter. In the event of an IRS audit, the auditor will most likely ask to see the minutes of the Chapter.

# 1. Sample Bylaws

BY-LAWS

OF

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ARTICLE I

The name of the corporation shall be \_\_\_\_\_.

ARTICLE II

PURPOSES

Section 1. Not For Profit. The corporation is organized under and shall operate as an Illinois not-for-profit corporation, and shall have such powers as are now or as may hereafter be granted by the not for profit laws of the state of incorporation.

Section 2. Purposes. The purposes of the corporation are \_\_\_\_\_

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ARTICLE III

REGISTERED OFFICE AND AGENT

The corporation shall have and continuously maintain in the state of incorporation a registered office and a registered agent whose office shall be identical with such registered office, and may have such other offices within or without the state of incorporation and such other registered agents as the board of directors may from time to time determine.

ARTICLE IV

MEMBERS

Section 1. Classes of Members. The corporation shall have one class of members. The qualifications for members are: \_\_\_\_\_

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Section 2. Voting Rights. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 3. Resignation. Any member may resign by filing a written resignation with the secretary.

## ARTICLE V

### MEETING OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held in each year or at such time as the board of directors may determine, at a time and place selected by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the members may be called either by the president, the board of directors, or by not less than one-half of the members having voting rights.

Section 3. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered in accordance with applicable law.

Section 4. Quorum. The members holding at least a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

## ARTICLE VI

### OFFICERS

Section 1. Officers. The officers of the corporation shall be a president, a secretary, a treasurer and such other officers as may be determined by the board of directors. The board of directors may elect or appoint such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed from time to time by board of directors. Any two or more offices may be held by the same person. Officers need not be residents of the state of incorporation.

Section 2. Election and Term of Office. The officers shall be elected by the board of directors for an annual term. The officers shall be elected at the annual meeting of the board of directors nearest the expiration of their term of office and shall serve until their successors have been duly elected and have qualified. Vacancies may be filled or new offices created and filled at any meeting of the board of directors.

Section 3. Removal. Any officer may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. President. The president shall be the principal executive officer of the corporation and shall in general supervise and control all of the affairs of the corporation. He shall preside at all meetings of the board of directors and shall be the Chairman of the Board. He may sign, with the secretary or any other proper officer of the corporation authorized by the board of directors, any deeds, mortgages, contracts, or other instruments which the board of directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these by-laws or by statute to some other officer or agent of the corporation; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 6. Secretary. The secretary shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; and be custodian of the corporate records by the president or by the board of directors.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and deposit all such funds in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these by-laws; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors.

## ARTICLE VII

### BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its board of directors.

Section 2. Composition, Tenure and Qualifications. The number of directors shall be \_\_\_\_\_. Each director shall be elected at the annual meeting of the members. Each director shall hold office until the next annual meeting of the board of directors and until his or her successor has qualified.

Section 3. Regular Meetings. A regular annual meeting of the board of directors shall be held at such times and places as may be designated by resolution by the board of directors. The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the Board called by them.

Section 5. Notice. Notice of any special meeting of the board of directors shall be given in accordance with applicable law.

Section 6. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, except where otherwise provided by law or by these by-laws.

Section 8. Informal Action by Directors. Any action required to be taken at a meeting of the board of directors or any action which may be taken at a meeting of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

Section 9. Vacancies. Any vacancy occurring in the board of directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by the board of directors. A director selected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. Directors as such shall not receive any salaries for their services, but by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## ARTICLE VIII

### COMMITTEES

Section 1. Committees of Directors. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the board of directors in management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed upon them by law.

Section 2. Other Committees. Other committees not having and exercising the authority of the board of directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Any member thereof may be removed by the Board whenever in their judgment the best interests of the corporation shall be served by such removal.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the board of directors of the corporation and until his successor is appointed,

unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

Section 4. Chairman. One member of each committee shall be appointed chairman.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. Quorum. Unless otherwise provided in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

## ARTICLE IX

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money issued in the name of the corporation, shall be signed by such officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 4. Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

## ARTICLE X

### BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its board of directors and committees having any of the authority of the board of directors.

ARTICLE XI

FISCAL YEAR

The fiscal year of the corporation shall be determined by the board of directors.

ARTICLE XII

AMENDMENTS TO BY-LAWS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, provided that at least fifteen days' written notice is given of intention to alter, amend or repeal and to adopt new by-laws at such meeting.

**2. Sample Form SS-4  
Application for Employer  
Identification Number**

**(3 pages)**

**Note:** Form SS-4 begins on the next page of this document.

## **Attention**

### **Limit of one (1) Employer Identification Number (EIN) Issuance per Business Day**

Effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service (IRS) will limit Employer Identification Number (EIN) issuance to one per responsible party per day. This limitation is applicable to all requests for EINs whether online or by phone, fax or mail. We apologize for any inconvenience this may cause.

**Application for Employer Identification Number**

OMB No. 1545-0003

Department of the Treasury  
Internal Revenue Service

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

<b>Type or print clearly.</b>	<b>1</b> Legal name of entity (or individual) for whom the EIN is being requested <b>Midwest Chapter of SOCIETY</b>				
	<b>2</b> Trade name of business (if different from name on line 1)	<b>3</b> Executor, administrator, trustee, "care of" name			
	<b>4a</b> Mailing address (room, apt., suite no. and street, or P.O. box) <b>100 Main Street</b>	<b>5a</b> Street address (if different) (Do not enter a P.O. box.)			
	<b>4b</b> City, state, and ZIP code (if foreign, see instructions) <b>Chicago, IL 60606</b>	<b>5b</b> City, state, and ZIP code (if foreign, see instructions)			
	<b>6</b> County and state where principal business is located <b>Cook, Illinois</b>				
	<b>7a</b> Name of responsible party <b>Sarah Brown</b>	<b>7b</b> SSN, ITIN, or EIN <b>000-00-0000</b>			
<b>8a</b> Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>8b</b> If 8a is "Yes," enter the number of LLC members			
<b>8c</b> If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>9a</b> Type of entity (check only one box). <b>Caution.</b> If 8a is "Yes," see the instructions for the correct box to check.					
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____					
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____					
<b>9b</b> If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country			
<b>10</b> Reason for applying (check only one box)					
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Created a pension plan (specify type) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____					
<b>11</b> Date business started or acquired (month, day, year). See instructions.	<b>12</b> Closing month of accounting year				
<b>13</b> Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	<b>14</b> If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input checked="" type="checkbox"/>				
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; text-align:center;">Agricultural <b>0</b></td> <td style="width:33%; text-align:center;">Household <b>0</b></td> <td style="width:33%; text-align:center;">Other <b>0</b></td> </tr> </table>			Agricultural <b>0</b>	Household <b>0</b>	Other <b>0</b>
Agricultural <b>0</b>	Household <b>0</b>	Other <b>0</b>			
<b>15</b> First date wages or annuities were paid (month, day, year). <b>Note.</b> If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) . . . . . ▶					
<b>16</b> Check one box that best describes the principal activity of your business.					
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Other (specify) _____ <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail					
<b>17</b> Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.					
<b>18</b> Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," write previous EIN here ▶					
<b>Third Party Designee</b>	Complete this section <b>only</b> if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.				
	Designee's name	Designee's telephone number (include area code) ( )			
Address and ZIP code	Designee's fax number (include area code) ( )				
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.					
Name and title (type or print clearly) ▶ <b>Sarah Brown</b>	Applicant's telephone number (include area code) ( <b>312</b> ) <b>555-1234</b>				
Signature ▶	Date ▶	Applicant's fax number (include area code) ( <b>312</b> ) <b>555-6789</b>			

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N

Form **SS-4** (Rev. 1-2010)

## Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.<sup>1</sup> See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) <sup>2</sup>	Complete lines 1-18 (as applicable).
Purchased a going business <sup>3</sup>	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust <sup>4</sup>	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator <sup>5</sup>	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits <sup>6</sup>	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 <sup>7</sup>	Complete lines 1, 2, 4a-5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes <sup>8</sup>	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation <sup>9</sup>	Complete lines 1-18 (as applicable).

<sup>1</sup> For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

<sup>2</sup> However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

<sup>3</sup> Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

<sup>4</sup> However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

<sup>5</sup> A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

<sup>6</sup> Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

<sup>7</sup> See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

<sup>8</sup> See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

<sup>9</sup> An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

# IV) Incorporation

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## 1. Incorporation: Why and How

Entities become incorporated in order to protect leaders and other members from liability. Chapters should consider incorporation to protect officers, directors, and other members from liability for the debts and obligations of the Chapter.

## 2. Articles of Incorporation

Incorporation should be accomplished in the state in which the Chapter has a physical presence, or in the state which is tied to its geographic territory. If a Chapter has no physical presence or geographic territory, it can choose a state in which to incorporate. Illinois, for example, has very modern and flexible non-profit corporation laws.

The Chapter will want to incorporate as a non-profit or not-for-profit corporation in its state. Some states refer to this type of entity as a “non-stock” corporation. Articles of Incorporation for the chosen state will be available on the official state website. Filing fees to incorporate as a non-profit are typically low.

A sample Articles of Incorporation for a Section 501(c)(6) professional society are attached. Note that the language will be different if the Chapter is incorporating as a charity (501(c)3) rather than as a professional society (501(c)(6)).

Each Chapter will be required to name a registered agent with an address within the state of incorporation. The state will use that address to correspond with the Chapter. If the Chapter does not have a physical presence in the state and does not have a volunteer willing to serve as registered agent, the Chapter may contract with a corporate service, such as CT Corporation (<http://ct.wolterskluwer.com/ctcorporation>) to act as registered agent in any state. States require that any non-profit corporate status be maintained. Most states require yearly renewals of non-profit corporate status. Some states require that renewal forms be filed every second or third year. Renewal fees are typically low.

# **1. Sample Articles of Incorporation**

**(3 pages)**

FORM **NFP 102.10** (rev. Dec. 2003)  
**ARTICLES OF INCORPORATION**  
 General Not For Profit Corporation Act

Jesse White, Secretary of State  
 Department of Business Services  
 501 S. Second St., Rm. 350  
 Springfield, IL 62756  
 217-782-9522  
 www.cyberdriveillinois.com

SAMPLE

Remit payment in the form of a cashier's check, certified check, money order or Illinois attorney's or C.P.A.'s check payable to Secretary of State.

File # \_\_\_\_\_ Filing Fee: \$50 Approved: \_\_\_\_\_

----- Submit in duplicate ----- Type or Print clearly in black ink ----- Do not write above this line -----

**Article 1.**

Corporate Name: MIDWEST CHAPTER OF THE AMERICAN SOCIETY FOR HEALTHCARE ENGINEERING

**Article 2.**

Name and Address of Registered Agent and Registered Office in Illinois:

Registered Agent: SARAH BROWN  
First Name Middle Name Last Name

Registered Office: 100 MAIN STREET  
Number Street Suite # (P.O. Box alone is unacceptable)

CHICAGO IL 60606 COOK  
City ZIP Code County

**Article 3.**

The first Board of Directors shall be 3 in number, their Names and Addresses being as follows  
Not less than three

Director Name	Street Address	City	State	Zip Code
SARAH BROWN	100 MAIN STREET	CHICAGO	IL	60606
SCOTT WHITE	100 MAIN STREET	CHICAGO	IL	60606
STEVEN BLACK	100 MAIN STREET	CHICAGO	IL	60606

**Article 4.**

Purpose(s) for which the Corporation is organized:

For association purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, including but not limited to, professional advancement in the field of healthcare, focusing on healthcare engineering

Key Purposes Language

(continued on back)

Article 4.(continued)

Is this Corporation a Condominium Association as established under the Condominium Property Act? (check one)

Yes  No

Is this Corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? (check one)

Yes  No

Is this Corporation a Homeowner's Association, which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? (check one)

Yes  No

Article 5.

Other provisions (For more space, attach additional sheets of this size.): SEE ATTACHED RIDER.

*"Rider" Attached*

Article 6.

Names & Addresses of Incorporators

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated January 1, 2013  
Month & Day Year

Signatures and Names	Post Office Address
1. <u><i>Sarah Brown</i></u> Signature	1. <u>123 MAIN STREET</u> Street
<u>SARAH BROWN</u> Name (print)	<u>CHICAGO, IL 60606</u> City, State, ZIP
2. _____ Signature	2. _____ Street
_____ Name (print)	_____ City, State, ZIP
3. _____ Signature	3. _____ Street
_____ Name (print)	_____ City, State, ZIP
4. _____ Signature	4. _____ Street
_____ Name (print)	_____ City, State, ZIP
5. _____ Signature	5. _____ Street
_____ Name (print)	_____ City, State, ZIP

**Signatures must be in BLACK INK on the original document.  
Carbon copies, photocopies or rubber stamped signatures may only be used on the duplicate copy.**

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by a duly authorized corporate officer. Please print name and title beneath the officer's signature.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in Illinois, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation that is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1934, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

RIDER

- (1) No part of the net earnings of the corporation shall inure to the benefit of any private individual.
- (2) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations which are then qualified as exempt within the meaning of Section 501(c)(6) or Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board of Directors shall determine.

# V) TAX EXEMPT STATUS

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## 1. Tax Exempt Status: Section 501(c)(3) or (6)

The Internal Revenue Code grants tax exemption to many types of organizations. For Chapter purposes, the most common will be Section 501(c)(3), charitable and educational organizations, or Section 501(c)(6), professional societies and trade associations.

Section 501(c)(3) organizations must act solely for a public benefit. Section 501(c)(6) organizations may act for the mutual benefit of members of the profession or industry. Most Chapters will want to apply under Section 501(c)(6) as a professional society or trade association.

Only Section 501(c)(3) organizations may grant charitable contribution deductions for voluntary contributions. Dues are generally deductible when paid to either a Section 501(c)(3) or Section 501(c)(6) organization. Corporations may make voluntary contributions to Section 501(c)(6) organizations and obtain a marketing expense deduction. For further information on the differences between Section 501(c)(3) or Section 501(c)(6) organizations, visit the IRS website at [www.irs.gov](http://www.irs.gov).

## 2. Application for Tax Exempt Status

All Chapters should be eligible for “tax-exempt status.” This is a special designation, granted by the IRS, which permits the Chapter to avoid paying tax on most typical income streams, although tax must still be paid on “unrelated business income.”

In order to obtain tax-exempt status, the Chapter should file an application with the Internal Revenue Service.

Attached is a sample Form 1024, which can be used to apply for tax exemption as a Section 501(c)(6) organization. Also attached is a sample cover letter to the Internal Revenue Service which lists all of the documents which must accompany Form 1024. Form 1024 is available for download from the IRS website.

## 3. Yearly Tax Filings

Whether your Chapter is incorporated or not, it must file a tax return each year. If your Chapter does not have tax-exempt status, it should file Form 1120, which is the corporate income tax form. Form 1120 is also appropriate for unincorporated chapters which are taxable.

Tax-exempt organizations must file a tax form every year, known as Form 990. If gross receipts on average are less than \$50,000, the Chapter may file a very simple version of Form 990, known as Form 990N. This is only available for online filing. The Chapter is required to answer a few simple questions and submit the form online.

If average revenues exceed \$50,000, the Chapter will be required to file Form 990 or Form 990 EZ. Chapters with more complicated revenue and expenses will want to involve a local accountant to make sure that the tax filing is made accurately.

If a Chapter fails to file a required version of Form 990 for three years in a row, its tax-exempt status will be revoked.

#### **4. Other Relevant Tax Forms**

If a Chapter has employees, it will be required to make federal and state filings with respect to employment taxes. If a Chapter pays independent contractors more than \$600 in a calendar year, engages in raffles or other special activities, Forms 1099 may also be required.

## **2. Sample Form 1024 and Attachments; Sample cover letter to IRS**

**(9 pages)**

Date: \_\_\_\_\_

Internal Revenue Service  
P.O. Box 12192  
Covington, KY 41012-0192

Name: \_\_\_\_\_

Dear Sir/Madam:

On behalf of the Chapter, enclosed herewith are the following documents:

1. Form 1024 - Application for Recognition of Exemption;
2. Attachment to Form 1024;
3. Articles of Incorporation;
4. Bylaws and Bylaws Certification;
5. List of Officers and Directors;
6. Description of Membership Qualifications;
7. Sample Newsletter Publication;
8. Statements of Revenue and Expenses; and
9. Check - User Fee Payable to Internal Revenue Service.

Sincerely,

\_\_\_\_\_  
Title: \_\_\_\_\_

Enclosures

**Application for Recognition of Exemption  
 Under Section 501(a)**

If exempt status is approved,  
 this application will be open  
 for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**  
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment  
 of the appropriate user fee), the application may be returned to the organization.

**Complete the Procedural Checklist on page 6 of the instructions.**

**Part I. Identification of Applicant** (Must be completed by all applicants; also complete appropriate schedule.)  
 Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a  Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b  Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c  Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d  Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e  Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f  Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g  Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h  Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i  Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j  Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k  Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l  Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m  Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n  Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

<b>1a</b> Full name of organization (as shown in organizing document)	<b>2</b> Employer identification number (EIN) (if none, see <b>Specific Instructions</b> on page 2)
<b>1b</b> c/o Name (if applicable)	<b>3</b> Name and telephone number of person to be contacted if additional information is needed
<b>1c</b> Address (number and street) <span style="float: right;">Room/Suite</span>	
<b>1d</b> City, town or post office, state, and ZIP + 4 If you have a foreign address, see <b>Specific Instructions</b> for Part I, page 2.	
<b>1e</b> Web site address	<b>4</b> Month the annual accounting period ends
	<b>5</b> Date incorporated or formed
<b>6</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach an explanation.	
<b>7</b> Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.	

**8** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a  Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b  Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c  Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**PLEASE SIGN HERE**

..... (Signature) ..... (Type or print name and title or authority of signer) ..... (Date) .....

For Paperwork Reduction Act Notice, see page 5 of the instructions.

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**Part II. Activities and Operational Information** (Must be completed by all applicants)

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**1** Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

---

**2** List the organization's present and future sources of financial support, beginning with the largest source first.

---

**Part II. Activities and Operational Information** (continued)

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members?  Yes  No  
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed?  Yes  No  
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed?  Yes  No  
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)?  Yes  No  
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.?  Yes  No  
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property?  Yes  No  
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization?  Yes  No  
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material?  Yes  No  
If "Yes," attach a recent copy of each.

**Part II. Activities and Operational Information** (continued)

**3** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation

**4** If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

**5** If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

**6** If the organization has capital stock issued and outstanding, state: **(1)** class or classes of the stock; **(2)** number and par value of the shares; **(3)** consideration for which they were issued; and **(4)** if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

**7** State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

**8** Explain how your organization's assets will be distributed on dissolution.

**Part III. Financial Data** (Must be completed by all applicants)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From To	(b) .....	(c) .....	(d) .....	
1 Gross dues and assessments of members . . . . .					
2 Gross contributions, gifts, etc. . . . .					
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)					
4 Gross amounts from unrelated business activities (attach schedule)					
5 Gain from sale of assets, excluding inventory items (attach schedule) . . . . .					
6 Investment income (see page 3 of the instructions)					
7 Other revenue (attach schedule). . . . .					
8 Total revenue (add lines 1 through 7) . . . . .					
<b>Expenses</b>					
9 Expenses attributable to activities related to the organization's exempt purposes. . . . .					
10 Expenses attributable to unrelated business activities					
11 Contributions, gifts, grants, and similar amounts paid (attach schedule). . . . .					
12 Disbursements to or for the benefit of members (attach schedule)					
13 Compensation of officers, directors, and trustees (attach schedule)					
14 Other salaries and wages. . . . .					
15 Interest . . . . .					
16 Occupancy . . . . .					
17 Depreciation and depletion . . . . .					
18 Other expenses (attach schedule) . . . . .					
19 Total expenses (add lines 9 through 18) . . . . .					
20 Excess of revenue over expenses (line 8 minus line 19) . . . . .					

**B. Balance Sheet (at the end of the period shown)**

Assets		Current Tax Year as of .....
1 Cash . . . . .		1
2 Accounts receivable, net . . . . .		2
3 Inventories . . . . .		3
4 Bonds and notes receivable (attach schedule) . . . . .		4
5 Corporate stocks (attach schedule) . . . . .		5
6 Mortgage loans (attach schedule) . . . . .		6
7 Other investments (attach schedule) . . . . .		7
8 Depreciable and depletable assets (attach schedule) . . . . .		8
9 Land . . . . .		9
10 Other assets (attach schedule) . . . . .		10
11 Total assets . . . . .		11
<b>Liabilities</b>		
12 Accounts payable . . . . .		12
13 Contributions, gifts, grants, etc., payable . . . . .		13
14 Mortgages and notes payable (attach schedule) . . . . .		14
15 Other liabilities (attach schedule) . . . . .		15
16 Total liabilities. . . . .		16
<b>Fund Balances or Net Assets</b>		
17 Total fund balances or net assets . . . . .		17
18 Total liabilities and fund balances or net assets (add line 16 and line 17) . . . . .		18

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation.

**Part IV. Notice Requirements (Sections 501(c)(9) and 501(c)(17) Organizations Only)**

**1** Section 501(c)(9) and 501(c)(17) organizations:

Are you filing Form 1024 within 15 months from the end of the month in which the organization was created or formed as required by section 505(c)? N/A  
 Yes  No

If "Yes," skip the rest of this Part.

If "No," answer question 2.

**2** If you answer "No" to question 1, are you filing Form 1024 within 27 months from the end of the month in which the organization was created or formed? N/A  
 Yes  No

If "Yes," your organization qualifies under Regulation section 301.9100-2 for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 3 and 4.

If "No," answer question 3.

**3** If you answer "No" to question 2, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? N/A  
 Yes  No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 2. See Specific Instructions, Part IV, Line 3, page 4, before completing this item. Do not answer question 4.

If "No," answer question 4.

**4** If you answer "No" to question 3, your organization's qualification as a section 501(c)(9) or 501(c)(17) organization can be recognized only from the date this application is filed. Therefore, does the organization want us to consider its application as a request for recognition of exemption as a section 501(c)(9) or 501(c)(17) organization from the date the application is received and not retroactively to the date the organization was created or formed?  Yes  No

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**Schedule C** Organizations described in section 501(c)(5) (Labor, agricultural, including fishermen's organizations, or horticultural organizations) or section 501(c)(6) (business leagues, chambers of commerce, etc.)

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**1** Describe any services the organization performs for members or others. (If the description of the services is contained in Part II of the application, enter the page and item number here.)

---

**2** Fishermen's organizations only.—What kinds of aquatic resources (not including mineral) are cultivated or harvested by those eligible for membership in the organization?

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**3** Labor organizations only.—Is the organization organized under the terms of a collective bargaining agreement? . . .  Yes  No

If "Yes," attach a copy of the latest agreement.

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**ATTACHMENT**  
**TO FORM 1024**

**Part I**

Item 8. Articles of Incorporation and Bylaws are enclosed.

**Part II**

Item 1.

The Chapter was organized as an association for professionals in field of healthcare, focusing on \_\_\_\_\_.

The Chapter's purpose is to advance the professional development of healthcare professionals in this area. The Chapter offers educational publications, programs, leadership opportunities, and networking events for such professionals.

*Professional Development:* Professional educational opportunities include annual conferences with numerous tracks and topical focuses to timely seminars on specific areas of interest, leadership programs, webinars and online education.

*Advocacy:* Legislative and regulatory issues specific to the professional groups are addressed through the efforts of the societies or in concert with American Hospital Association's ("AHA") government affairs activities. These members provide the technical expertise necessary to address issues that either the society or AHA has identified as important to health care management.

*Publications:* Profession-specific publications include: newsletters, magazines, background papers, legislative updates, bulletins, broadcast fax and books.

*Networking:* Chapter membership and participation facilitates contact and sharing throughout the field and across the country.

*Leadership Opportunities:* For those who want to actively participate, there is an abundance of volunteer opportunities spanning numerous area of service where members can develop and hone their skills in this area.

Item 3. List of Directors and Officers is enclosed.

Item 7. Description of membership is enclosed.

Item 16. Sample newsletter publication is enclosed.

**Part III**

See attached financial statements and balance sheet.

## VI) INSURANCE

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The best way to protect leaders and other members from liability is to incorporate the Chapter. Incorporation will stop many types of liability at the Chapter door, and prevent the personal liability for leaders and other members.

Incorporation will not protect the assets of the Chapter itself. That is why it is always advisable to purchase insurance to cover common types of possible liability. Insurance can be purchased to cover potential liabilities of leaders and other members which are not prevented by incorporation. In addition, insurance will pay the cost of defense if an insured claim goes to court. There are several common types of insurance which the Chapter may wish to consider.

### 1. General Liability Insurance

General liability insurance covers certain types of personal injury and property damage arising from activities of the Chapter. It may also cover special claims, such as theft of cash or other assets. General liability insurance is required if the Chapter sponsors live events. Physical injuries occur at live events, and the Chapter will want to have insurance to pay the costs of defense and cover damages. If the Chapter engages in any activities at which alcohol is served, the Chapter should consider purchasing a general liability policy which covers damages arising from the consumption of alcohol at sponsored events.

### 2. Directors and Officers Liability Insurance

This type of policy should cover copyright infringement, defamation, and similar claims, whether brought against leaders or the Chapter itself. These policies are sometimes referred to as “association liability” policies. Make sure that all volunteers who provide services to the Chapter are included in the definition of covered insureds.

### 3. Errors and Omissions Insurance

If the Chapter is engaged in providing substantive services to its members, other than general education and networking, the Chapter should consider the purchase of Errors And Omissions Insurance to cover claims connected with the provision of those services.

### 4. Information regarding Insurance for Chapters

Forms (provided through the American Society for Association Executives (ASAE)):

1. Directors and Officers Liability Insurance Application (1 page)
2. Application for The Hartford Non-Profit Choice – All coverage parts (6 pages)
3. Application for the ASAE-Endorsed Association Office Package (2 pages)

4. Event Questionnaire (1 page)
5. Certificate of Insurance Request Forum (1 page)
6. PowerPoint Presentation on D&O Insurance, recorded 5.5.12 (6 pages)

For further information about obtaining insurance, go to: [www.asae-aon.com](http://www.asae-aon.com) or contact:

Eric Johnson  
Aon Association Services  
1120 N.W. 20th Street, Suite 600  
Washington D.C. 20036

**or**

Fax: 800.701.1982  
attn. Eric Johnson  
phone: 800.453.5191 ext. 5374

## ASAE-Sponsored Directors' & Officers' (D&O) Liability Insurance Application

The ASAE-Sponsored D&O coverage provided here is written on a claims made basis. Except as otherwise provided, this policy will cover only claims first made against the insured during this policy period.

Insurance Contact: \_\_\_\_\_  
 Association: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_



I wish to receive periodic email updates regarding the ASAE-Sponsored Programs.

Nature of Operations: 1.  501(c)3 or  501(c)6 Date of Incorporation \_\_\_\_/\_\_\_\_/\_\_\_\_  
 2.  Trade Association or  Professional Association  
 Other: \_\_\_\_\_ (Please complete or forward your association's mission statement.)

### OPERATIONS

3. Does the association have a negative fund balance? .....  Yes  No  
*(If YES, please forward your association's most recent 12 month financial audit or IRS 990 tax form.)*
4. Please indicate the association's Total Gross Annual Revenue\* (most current FYE): \$ \_\_\_\_\_  
*(\* If greater than \$1,000,000, please forward your association's most recent 12 month financial audit or IRS 990 tax form.)*
5. Expiration Date of current D&O policy (if applicable): \_\_\_\_/\_\_\_\_/\_\_\_\_ Current Premium: \$ \_\_\_\_\_ Current Limits: \_\_\_\_\_
6. Is coverage requested to include any Subsidiary? .....  Yes  No Or Affiliate?  Yes  No
7. Is the association involved in any standard setting, accreditation, certification or peer review activities? .....  Yes  No  
*(If YES, please attach details.)*
8. Is the association involved in any labor negotiations or collective bargaining? (If YES, please attach details.) .....  Yes  No
9. Does the association sell or administer any insurance product (other than those designed solely for the association's employees)? (If YES, please attach details.) .....  Yes  No

### EMPLOYMENT INFORMATION

10. Total number of employees: \_\_\_\_\_
11. How many employees have been terminated in the last year? \_\_\_\_\_ voluntarily \_\_\_\_\_ involuntarily
12. Does the applicant association have formal written procedures for hiring and firing employees? .....  Yes  No

### CLAIMS HISTORY

13. Within the last three years, has the applicant association, its directors, officers and/or any other proposed INSURED person received any complaint, suit, inquiry or notice of hearing from any state or federal legislative committee, regulatory body, or any other party? .....  Yes  No

### PRIOR KNOWLEDGE

14. Is any potential INSURED aware of any circumstance(s) or action(s) which could result in a future claim against any potential INSURED? .....  Yes  No  
 If YES, please provide a detailed explanation: \_\_\_\_\_

(IT IS UNDERSTOOD AND AGREED THAT THERE WILL BE NO COVERAGE FOR ANY CLAIM WHICH IS RELATED TO OR ARISES OUT OF THE MATTER WHICH IS SET FORTH OR SHOULD HAVE BEEN SET FORTH IN THE ANSWER TO QUESTION #14)

### DECLARATION AND SIGNATURE

PLEASE SIGN AND DATE THIS APPLICATION. Fax it or enclose it in the envelope provided and mail. Once your application and any requested supporting information has been reviewed and approved, you will receive a quotation. Any person who, knowingly and with intent defrauds any insurance company or other person, files an application for insurance containing any false information, or conceals for the purpose of misleading, circumstances concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. Although the signing of this application does not bind the undersigned on behalf of the Association or its directors, officers or other Insured Persons to effect insurance, the undersigned agrees that this application and its attachments shall be the basis of the contract should a policy be issued and shall be attached to and form part of the policy. The insurance company is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

Signed **X** \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_  
*(Executive Director, President or Chairperson of the Board)*



Apply Online  
**www.asae-aon.com**  
 Act Promptly! FAX Application Questions? Call Toll-Free  
**1-800-701-1982 1-800-453-5191 ext 561**  
 Aon Association Services, 1120 20th Street NW, Suite 600, Washington, D.C. 20036-3419  
 Aon Association Services, a Division of Affinity Insurance Services, Inc., in CA, MN & OK a Division of  
 AIS Affinity Insurance Agency, Inc., and in NH & NY a Division of AIS Affinity Insurance Agency  
 and in MT dba Aon Association Services. CA Insurance License #0795465  
 Underwritten by The Hartford's Twin City Fire Insurance Company in Arizona, California, Florida, Louisiana  
 and New Hampshire and by the Trumbull Insurance Company in all other states.



A-4528-306



\_\_\_\_\_  
Name of Insurance Company to which application is made

**APPLICATION FOR  
THE HARTFORD NON-PROFIT CHOICE<sup>SM</sup>  
(ALL COVERAGE PARTS – TRADE AND PROFESSIONAL ASSOCIATIONS)**

**Endorsed by:**



**NOTICE: THE LIABILITY COVERAGE PARTS SCHEDULED IN ITEM 5 OF THE DECLARATIONS PROVIDE CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN, COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND PAYMENT OF DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY. NOTICE OF A CLAIM MUST BE GIVEN TO THE INSURER AS SOON AS PRACTICABLE, AFTER A NOTICE MANAGER BECOMES AWARE OF SUCH CLAIM, BUT IN NO EVENT LATER THAN SIXTY (60) CALENDAR DAYS AFTER THE TERMINATION OF THE POLICY PERIOD, OR ANY EXTENDED REPORTING PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

**1. GENERAL INFORMATION**

- a) Name of Non-Profit Organization: \_\_\_\_\_
- b) Address: \_\_\_\_\_  
\_\_\_\_\_
- c) Nature of Operations: \_\_\_\_\_
- d) Date of Incorporation: \_\_\_\_\_
- e) Internet Address: \_\_\_\_\_
- f) Contact person: \_\_\_\_\_
- g) Email Address: \_\_\_\_\_
- h) Phone: \_\_\_\_\_
- i) Fax: \_\_\_\_\_

**2. COVERAGE REQUESTED**

Proposed Effective Date: \_\_\_\_\_

- a) Liability Coverage Parts and Features Requested with desired Limit (Indicate with 'x')
  - Directors & Officers including Entity Coverage & Employment Practices Liability  
Limit: \_\_\_\_\_
  - Fiduciary Liability including Settlement program Coverage  
Limit: \_\_\_\_\_
- b) Please indicate shared or separate limit for Liability Coverage Parts: \_\_\_ Shared \_\_\_ Separate
- c)  Crime (Indicate with 'x')

**3. ORGANIZATION INFORMATION**

- a) Total Revenues as of current fiscal year end: \$ \_\_\_\_\_
- b) Total Assets as of current fiscal year end: \$ \_\_\_\_\_
- c) Has the Organization experienced within the past 2 years or does the Organization expect any of the following events within the next 2 years (if "yes," please provide details - attach separate sheet if necessary):
  - any financial reorganization or filing for bankruptcy?  Yes  No
  - any downsizing, layoffs, reduction in force, or office closings?  Yes  No
- d) Please list all Subsidiaries for which coverage is desired (attach separate sheet if necessary):

<u>NAME</u>	<u>NATURE OF BUSINESS</u>	<u>DATE CREATED OR ACQUIRED</u>	<u>%OWNED</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**PLEASE PROVIDE THE FOLLOWING INFORMATION:**  
 Most recent audited Financial Statement, Annual Report or IRS form 990, if your organization's gross annual revenues exceed \$1,000,000. Other Information deemed necessary by the Underwriter. Any other Information deemed necessary by the Underwriter.

**4. DIRECTORS & OFFICERS COVERAGE PART (Complete Only if this Coverage Part is requested)**

- a) Does the Organization maintain an audit committee?  Yes  No
- b) Does the organization maintain an investment committee?  Yes  No
- c) Does the Organization maintain an executive compensation committee?  Yes  No
- d) Is the Organization currently or has it at any time over the last year been in breach or violation of any debt covenant or loan agreement or any other material contractual obligation?  Yes  No  
(If "yes", please attach details)
- e) Is the organization involved in any standard setting, certification or peer review activities?  Yes  No  
(If "yes", please attach details)
- f) Does the organization have an annual or bi-annual convention or similar gathering?  Yes  No
- g) Are you involved in any lending, credit or collection activities?  Yes  No  
(If "yes", please attach details)

**5. EMPLOYMENT PRACTICES LIABILITY COVERAGE PART**

- a) For the current and previous years, please list the following Employee information:
 

Year	_____	_____
Full Time	_____	_____
Part Time/Seasonal	_____	_____
Involuntary Terminations:	_____	_____
Resignations:	_____	_____
- b) Does the Organization maintain and distribute an employee handbook?  Yes  No
- c) Does the Organization have a Human Resources Department?  Yes  No

**Please note that Organizations with More than 100 Employees must complete a Human Resources Procedures Supplemental Application.**

**6. FIDUCIARY LIABILITY COVERAGE PART (Complete Only if this Coverage Part is Requested)**

For Each Plan to be covered, please list the following:

PLAN NAME	PLAN TYPE*	# OF PARTICIPANTS	PLAN ASSETS (CURRENT YEAR)	PLAN STATUS**
			\$	
			\$	
			\$	

\* Plan Type: Defined Benefit (DB), Defined Contribution (DC), Welfare (W), Employee Stock Ownership (ESOP) or Other (O).

\*\* Plan Status: Active (A), Merged (M), Terminated (T) or Frozen (F).

- a) Does the plan conform to ERISA? \_\_\_ Yes \_\_\_ No
  - b) Has the Organization, any plan, or plan fiduciary been accused or found guilty of a breach of fiduciary duty or violation of ERISA? \_\_\_ Yes \_\_\_ No
  - c) During the past 2 years have there been, or during the next year do you anticipate any reduction in benefits? \_\_\_ Yes \_\_\_ No
  - d) Has any plan been investigated by the DOL, IRS or any other regulatory agency in the past 2 years? \_\_\_ Yes \_\_\_ No
  - e) Has the IRS threatened to withdraw the tax-exempt status of a plan? \_\_\_ Yes \_\_\_ No
- If there is an adverse response to any question above, please provide details.**

**PLEASE PROVIDE THE FOLLOWING INFORMATION:**

Plan Audit or Form 5500 for all Pension and Welfare plans to be covered by this policy when Plan Participants exceed 100.

**7. CRIME COVERAGE PART (Complete Only if this Coverage Part is Requested. Organizations with more than 500 employees must complete a crime supplemental application)**

LOSS EXPERIENCE		
List all fidelity and crime losses discovered or sustained in the last five years. Check here if none: <input type="checkbox"/>		
DATE OF LOSS	TYPE OF LOSS (Employee Dishonesty, Forgery, etc.)	AMOUNT OF LOSS

Please attach details of all losses including description, corrective action taken and amount covered by insurance.

- a) Do you prohibit any employee who reconciles bank statements from also:
  - Signing checks? \_\_\_ Yes \_\_\_ No
  - Handling bank deposits? \_\_\_ Yes \_\_\_ No
  - Making withdrawals? \_\_\_ Yes \_\_\_ No
  - Having access to check signing machines or signature plates? \_\_\_ Yes \_\_\_ No
- b) Is an authorized vendor list utilized to assist in detecting payments to fictitious suppliers? \_\_\_ Yes \_\_\_ No
- c) For new employees, are background checks conducted? If "yes," does it include:
  - Prior employment verification? \_\_\_ Yes \_\_\_ No
  - Criminal history? \_\_\_ Yes \_\_\_ No
  - Drug testing? \_\_\_ Yes \_\_\_ No

**(If the answer is "No" to any of questions a) through c), please provide details.)**
- d) Within the last three years has an internal or external auditor made any comments regarding internal control weaknesses or recommendations for improvements? \_\_\_ Yes \_\_\_ No  
**(If "yes," please provide details)**
- e) Number of locations: \_\_\_\_\_

PLEASE INDICATE:

Desired Crime Coverages	Expiring Limit	Expiring Retention	Requested Limit	Requested Retention
Employee Dishonesty / Theft (A)	\$	\$	\$	\$
Forgery or Alteration (B)	\$	\$	\$	\$
Inside the Premises (C)	\$	\$	\$	\$
Outside the Premises (D)	\$	\$	\$	\$
Computer Fraud (E)	\$	\$	\$	\$
Money Orders & Counterfeit Currency	\$50,000 (automatically included, if Crime is quoted)			

Expiring Crime Premium: \_\_\_\_\_

**8. PREVIOUS INSURANCE:**

Please provide the following details regarding the Organization's Current Insurance programs:

PRODUCT	INSURER	LIMIT	RETENTION	PERIOD FROM/TO	PREMIUM
D&O	_____	_____	_____	_____	_____
EPL	_____	_____	_____	_____	_____
Fiduciary	_____	_____	_____	_____	_____
Crime	_____	_____	_____	_____	_____

**9. PRIOR KNOWLEDGE (HARTFORD RENEWAL APPLICANTS: Question 9. need not be answered).** If "yes," provide complete details.

Does anyone for whom insurance is being applied have any knowledge or information of any error, misstatement, misleading statement, act, omission, neglect, breach of duty or other matter that may give rise to a claim that may fall within the scope of coverage of the proposed insurance?  Yes  No

IT IS AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM BASED ON, ARISING FROM, OR IN ANY WAY RELATING TO SUCH ERROR, MISSTATEMENT, MISLEADING STATEMENT, ACT, OMISSION, NEGLIGENCE, BREACH OF DUTY OR OTHER MATTER OF WHICH THERE IS KNOWLEDGE OR INFORMATION SHALL BE EXCLUDED FROM COVERAGE UNDER THE INSURANCE BEING APPLIED FOR.

**10. LOSS HISTORY (HARTFORD RENEWAL APPLICANTS: Question 10. need not be answered).** If "yes," provide complete details.

- a) **Within the last three years, has the applicant, its directors, officers and/or any other proposed insured person or organization received any complaint, suit, inquiry or notice of hearing from any state or federal legislative committee, regulatory body, or any other party?**  Yes  No
- b) Has any Insurer cancelled or refused to renew any Directors and Officers, Employment Practices, Fiduciary Liability Crime/Fidelity, or similar insurance within the past 3 years?  Yes  No

\* MISSOURI APPLICANTS NEED NOT REPLY to 10(b).

REGARDING QUESTIONS A, IT IS AGREED THAT IF ANY SUCH CLAIMS, DEMANDS OR NOTICES EXIST, ANY CLAIM BASED UPON, ARISING FROM OR IN ANY WAY RELATED TO SUCH MATTERS SHALL BE EXCLUDED FROM THE INSURANCE BEING APPLIED FOR. THE INFORMATION PROVIDED IN THIS APPLICATION IS FOR UNDERWRITING PURPOSES ONLY AND DOES NOT CONSTITUTE NOTICE TO THE COMPANY OF A CLAIM OR POTENTIAL CLAIM UNDER ANY POLICY. IF YOU INTEND TO NOTICE A CLAIM OR POTENTIAL CLAIM FOR POSSIBLE COVERAGE, PLEASE COMPLY WITH THE NOTICE OF CLAIM CONDITIONS/PROVISIONS FOUND IN YOUR POLICY, BY SENDING WRITTEN NOTICE OF SUCH TO: (Insert the address and phone number of the local The Hartford office.)

## FRAUD WARNING STATEMENTS

**ARKANSAS APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

**DISTRICT OF COLUMBIA APPLICANTS:** IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

**FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

**HAWAII APPLICANTS:** FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

**KENTUCKY APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

**LOUISIANA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**MAINE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NEW JERSEY APPLICANTS:** ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

**NEW YORK APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION."

**OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.

PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

TENNESSEE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON, FILES AN APPLICATION FOR INSURANCE, OR A STATEMENT OF CLAIM CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME IN CERTAIN JURISDICTIONS.

WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS."

WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE. THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE CURRENT POLICY PERIOD, WHICHEVER IS LATER.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE ORGANIZATION.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:  
Program Administrator  
**Aon Association Services**  
1120 20th St, NW, Ste 600, Washington DC 20036  
800-432-7465 • 800-701-1982 fax



# Application for the ASAE-Endorsed Association Office Package

0CW2XXAA12

Named Insured \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 \_\_\_\_\_ County \_\_\_\_\_  
 Contact Name \_\_\_\_\_ E-mail \_\_\_\_\_  
 Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
 Fed. ID # \_\_\_\_\_ Year Business Started \_\_\_\_\_  
 Type of 501(c)  3  6  Other \_\_\_\_\_  
 Describe purpose of organization \_\_\_\_\_  
 \_\_\_\_\_  
 Website Address \_\_\_\_\_ Annual Gross Revenue \_\_\_\_\_  
 Number of employees \_\_\_\_\_ Proposed Effective Date \_\_\_\_\_

### About the Organization

Type of Organization  Professional Assoc.  Trade Assoc.  Assoc. Management Co  Chamber of Commerce  
 Convention Visitors Bureau  Foundation  Other \_\_\_\_\_  
 (please specify)  
 Location Address \_\_\_\_\_  
 Street Address (no P.O. Box) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Occupancy  Office  Storage  Other \_\_\_\_\_  
 (please specify)

### Property Coverage Information

Building Construction  Wood/Frame  Brick/Masonry  Non-Combustible  Fire Resistive  
 Year Built \_\_\_\_\_ Protection Class \_\_\_\_\_  
 Is the building older than 40 years?  Yes  No *If yes, advise your updates for the following:*  
 Wiring \_\_\_\_\_ Heating \_\_\_\_\_ Plumbing \_\_\_\_\_ Roof \_\_\_\_\_  
 Please indicate if this location is  Single  Multiple Occupancy  
 Is there a restaurant located in the same fire division as insured?  Yes  No  
 If yes, is restaurant adjacent to the insured?  Yes  No  
 Sprinklered Building?  Yes  No Central Station Alarm?  Yes  No  
 Square feet occupied by insured \_\_\_\_\_ Number of Stories \_\_\_\_\_  
 Is the building more than 25% vacant or unoccupied?  Yes  No  
 Coverage Requested Deductible \_\_\_\_\_ Property of Others \_\_\_\_\_  
 Building Limit (if owned) \_\_\_\_\_ Accounts Receivable \_\_\_\_\_  
 Total Sq footage \_\_\_\_\_ % Occupied \_\_\_\_\_ Valuable Papers \_\_\_\_\_  
 Business Personal Property \_\_\_\_\_ Employee Dishonesty \_\_\_\_\_  
 Computers \_\_\_\_\_ Money & Securities \_\_\_\_\_  
 Fine Arts \_\_\_\_\_  
*Use the Supplemental Application for additional locations.*

### General Liability

\$1,000,000 Each Occurrence/\$2,000,000 Aggregate  
 \$2,000,000 Each Occurrence/\$4,000,000 Aggregate (may not be available in all states)  
 \$ \_\_\_\_\_ Med Pay/Person (\$10,000 included)  
 \$ \_\_\_\_\_ Fire Legal Liability (\$300,000 included)

### Employee Benefits Liability Coverage Yes No

Chapter GL  Yes  No # of Chapters \_\_\_\_\_ # of Chapters to be insured \_\_\_\_\_  
*If yes, attach a list of chapters.*

### Subsidiary Orgs to be insured (other than chapters) \_\_\_\_\_ (If requesting coverage, attach full description of each.)

### Umbrella Limit \_\_\_\_\_

Rev. 5/11/12

continued...

**Workers' Compensation**

Current Experience Mod \_\_\_\_\_ NCCI# \_\_\_\_\_

Part 1 Compensation (States) \_\_\_\_\_

Part 2 Employers Liability \$\_\_\_\_\_ Ea Accident \$\_\_\_\_\_ Disease - Policy \$\_\_\_\_\_ Disease Ea Employee

Clerical/Office Employees 8810 Payroll \$\_\_\_\_\_

Outside Sales Employees 8742 Payroll \$\_\_\_\_\_

Other (Describe Duties) Payroll \$\_\_\_\_\_

**Automobile Usage**

*If the association owns autos, you will need to complete a supplemental application form.*

How many individuals (employees, contracted employees, volunteers) use their vehicles to conduct business? \_\_\_\_\_

What is the frequency of business use? \_\_\_\_\_

Hired & Non-Owned Liability Coverage?  Yes  No

**Loss History**

Has the organization had business insurance coverage within the past 3 years? . . . . .  Yes  No

Is the organization aware of any claims/losses within the past 3 years? . . . . .  Yes  No

Any prior coverage declined/non-renewed in the last 3 years? . . . . .  Yes  No

**Additional Questions**

Does your organization currently have employee benefit plans? . . . . .  Yes  No

Is coverage needed for ERISA compliance? . . . . .  Yes  No

If yes, name the plan(s) \_\_\_\_\_

Please indicate number/attendance for the following: \_\_\_\_\_ Conventions \_\_\_\_\_ Trade Shows \_\_\_\_\_ Fundraisers

*Event Questionnaire may be required.*

Please list any additional events held by the organization: \_\_\_\_\_

Please indicate the following for your major revenue generating event, if applicable?

Name of event: \_\_\_\_\_ Date(s) of event: \_\_\_\_\_

Budgeted gross revenue: \$\_\_\_\_\_ Location (City, State): \_\_\_\_\_

Do you sponsor athletic or other types of competitive events? . . . . .  Yes  No

*If yes, please specify:* \_\_\_\_\_

Are you engaged in products research, design, testing or manufacturing? . . . . .  Yes  No

*If yes, please specify:* \_\_\_\_\_

Does your association sell items via the internet? . . . . .  Yes  No

*If yes, please specify:* \_\_\_\_\_

Does your association conduct standards setting, accreditation or certification programs? . . . . .  Yes  No

*If yes, please specify:* \_\_\_\_\_

Any Location owned or occupied by the insured not included under this policy? . . . . .  Yes  No

*If yes, please describe:* \_\_\_\_\_

Please indicate requested mortgage holder, loss payable clause and/or additional insured(s) (name and address for each):

\_\_\_\_\_  
\_\_\_\_\_

**WARRANTY STATEMENT:** I hereby warrant and confirm that the above information to the best of my knowledge is true and correct, and further certify that I have read all of the questions and answers on this application. I understand this application is a requirement for coverage, a part of the contract and evidence of my acceptance of this insurance, and any falsification or misrepresentation will be deemed a breach of contract, voiding all insurance coverage. It is understood and agreed that the completion of this application shall not be binding either to the proposed insured or the company until accepted by the company in writing.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Aon Association Services is the brand name for the brokerage and program administration operations of Affinity Insurance Services, Inc. (AR 244489); in CA, MN & OK, AIS Affinity Insurance Agency, Inc. (CA 0795465); in CA, Aon Affinity Insurance Services, Inc. (0694493), Aon Direct Insurance Administrator and Berkely Insurance Agency; and in NY and NH, AIS Affinity Insurance Agency.



**Return via fax to 800-701-1982 or email to info@asae-aon.com**

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A-9889-612

**ASAE-Endorsed Association Office Package Program  
EVENT QUESTIONNAIRE**



**ASSOCIATION NAME:** \_\_\_\_\_  
**MAILING ADDRESS:** \_\_\_\_\_  
**CONTACT PERSON:** \_\_\_\_\_  
**EMAIL ADDRESS:** \_\_\_\_\_  
**DAYTIME PHONE:** \_\_\_\_\_ **FAX NUMBER:** \_\_\_\_\_

1. Describe Event: \_\_\_\_\_ Are you the sponsor?  Yes  No  
*(Meeting, Convention, Trade Show, Seminar, Banquet/Reception, Golf Event, etc.)*
2. If not, name of main sponsor: \_\_\_\_\_  
*Provide copy of their Certificate of Insurance naming your organization as Additional Insured under their General Liability coverage.*
3. Date(s) of event (including move-in/move-out): \_\_\_\_\_
4. Address of event: \_\_\_\_\_
5. Estimated Attendance per day: \_\_\_\_\_ Estimated Exhibitors: \_\_\_\_\_
6. Admission to be charged: \_\_\_\_\_
7. Expected gross receipts: \$ \_\_\_\_\_
8. Will event be held indoors or outdoors? \_\_\_\_\_
9. Have you conducted similar events in the past?  Yes  No
10. Have there been any claims or losses in the past?  Yes  No *If yes, please describe:* \_\_\_\_\_
11. Describe security to be provided: \_\_\_\_\_  
 Provided by whom? \_\_\_\_\_ Armed or Unarmed? \_\_\_\_\_  
*Provide copy of their Certificate of Insurance naming your organization as Additional Insured under their General Liability coverage.*
12. Describe first aid to be provided: \_\_\_\_\_
13. Will there be amusement rides, fireworks, or water related events? .....  Yes  No  
 If yes, please specify: \_\_\_\_\_
14. Are exhibitors required by contract to carry their own liability insurance? .....  Yes  No  
*If so, will they be required to provide you with evidence of General Liability and Workers' Compensation Insurance? .....  Yes  No*
15. Describe refreshments planned: \_\_\_\_\_  
 Will refreshments be complimentary or purchased by guests? \_\_\_\_\_  
 Who will be providing them? \_\_\_\_\_  
 Describe any cooking done onsite: \_\_\_\_\_
16. If liquor is to be sold, list estimated receipts: \$ \_\_\_\_\_
17. Do you request a certificate of insurance from the caterer if alcohol is served? .....  Yes  No
18. Is a certificate of insurance required by another party? .....  Yes  No  
*If yes, please complete the attached Certificate of Insurance Request Form.*
19. Are any athletic events being planned? .....  Yes  No  
 If so, please describe: \_\_\_\_\_

**WARRANTY STATEMENT:** I hereby warrant and confirm that the above information to the best of my knowledge is true and correct, and further certify that I have read all of the questions and answers on this application I understand this application is a requirement for coverage, a part of the contract and evidence of my acceptance of this insurance, and any falsification or misrepresentation will be deemed a breach of contract, voiding all insurance coverage. It is understood and agreed that the completion of this application shall not be binding either to the proposed insured or the company until accepted by the company in writing.

Name (please print) \_\_\_\_\_ Title \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**PLEASE RETURN COMPLETED QUESTIONNAIRE TO:** FAX: 202-223-4080



*Aon Association Services is a Division of Affinity Insurance Services, Inc.; in CA, MN & OK is a Division of AIS Affinity Insurance Agency, Inc. and in NH & NY is a Division of AIS Affinity Insurance Agency. (CA License # 0795465)  
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**ASAE Endorsed Association Office Package  
Certificate of Insurance Request Form**

Date of Request: \_\_\_\_\_

Person Completing this Form: \_\_\_\_\_

**INSURED:** \_\_\_\_\_

Address: \_\_\_\_\_

Fax #: \_\_\_\_\_ Phone #: \_\_\_\_\_

**Describe Event:** \_\_\_\_\_

Date/s: \_\_\_\_\_

Location/Address: \_\_\_\_\_

**Party (Certificate Holder) Requesting the Certificate (Not you, you are the Insured):**

Attn: \_\_\_\_\_

Address: \_\_\_\_\_

Fax #: \_\_\_\_\_ Phone #: \_\_\_\_\_

**ADDITIONAL INSURED – WE REQUIRE A COPY OF ANY CONTRACT, PERMIT OR AGREEMENT THAT REQUIRES ADDING THE INTEREST OF A THIRD PARTY AS “ADDITIONAL INSURED”.**

Yes  No If you have entered into or signed any agreement, contract or permit, a **copy must be submitted with this request. Otherwise, the certificate cannot be issued.**

Yes  No Original certificate mailed directly to the Certificate Holder?

Yes  No Copy faxed to Certificate Holder?

Yes  No A copy will be faxed to you, if we are provided with your fax number.

**PLEASE ALLOW AT LEAST 48 HOURS TO PROCESS THIS REQUEST.**

**PLEASE COMPLETE AND RETURN TO:**

**Aon Association Services**  
A Division of Affinity Insurance Services, Inc.  
1120 20th Street, N.W., 6th Floor  
Washington, D.C. 20036-3406



**Toll Free: (800) 453-5191 • Fax: (202) 223-4080**



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## **Aon Association Services**

### Association Business Insurance Solutions

Directors' & Officers' (D&O) Insurance:  
*What you need to know.*

(Insert Meeting Name)  
September 5, 2012

Presented by Josh Srnka



## **Association Business Insurance Solutions**

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### Disclaimer

- This presentation is not meant to suggest that any insurance policy issued by any organization represented today would provide coverage for any specific claim. Coverage for any particular claim depends on the circumstances of the claim and the language of the relevant policy.
- Any name or image that bears any resemblance to any person, real or fictional, is purely coincidental.



## **Association Business Insurance Solutions**

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### **Agenda**

- Responsibilities / Basic Duties
- Management Liability Insurance
- What is D&O Insurance?
- Who's Covered?
- What's Covered?
- Common D&O Claims
- Mitigating Risk
- Q&A

2 

## **Association Business Insurance Solutions**

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### **Responsibilities / Basic Duties**

- Nonprofit organizations should be operated and managed with at least the same degree of care as for-profit corporations.
- Directors and Officers are subject to three basic duties in executing their obligations:
  1. Duty of Care – act prudently
  2. Duty of Loyalty – act in the best interest of the organization
  3. Duty of Obedience – adhere to the organization's bylaws



2

## **Association Business Insurance Solutions**

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### **Management Liability Insurance**

- Directors and Officers (D&O) Liability Insurance
- Employment Practices Liability Insurance (EPLI)
- Professional Liability Insurance – Errors & Omissions (E&O) Coverage
- Fiduciary Liability and/or Employee Benefits Liability
- Crime and/or Fidelity Coverage



## **Association Business Insurance Solutions**

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### **What is D&O Insurance?**

- Protects an association against allegations of mismanagement, neglect or breach of duty as it relates to the management of the organization.
- A crucial component of Nonprofit D&O insurance is the protection for the association against employee related allegations – including allegations of discrimination, wrongful termination and sexual harassment, as well as failure to hire or promote.



## Association Business Insurance Solutions

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### Who is covered?

The D&O insurance policy Definition of Insured *usually* includes...The Entity, as well as past, present & future Directors, Officers, Committee Members, Trustees, Employees & Volunteers. The heirs, executors, administrators and legal representatives of an Insured, in the event of an Insured's death, insolvency or bankruptcy.

**AON**

## Association Business Insurance Solutions

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### What is covered?

Coverage *typically* Includes:

- Employment Practices Liability Insurance (EPLI)
  - Discrimination (Race, Gender & Age)
  - Wrongful Termination
  - Harassment
- Personal Injury (Libel, Slander & Defamation of Character)
- Publisher's Liability (Copyright or Trademark Infringement)
- Mismanagement of the association's funds

**AON**

## **Association Business Insurance Solutions**

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### **Common D&O Claims**

- Employee / Employer Disputes
  - Discrimination
  - Wrongful Termination
  - Sexual Harassment
  - Failure to Hire or Promote
- Alleged Anti-Trust Violations
- Membership Disputes
- Standard Setting, Certification, and Peer Review
- Defamation



## **Association Business Insurance Solutions**

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### **Mitigating D&O Risk**

- Remember the three duties (care, loyalty & obedience)
- Document, document, document
- Legal counsel
- EPLI Website
- Does it sound right / Cooling off period



## Association Business Insurance Solutions

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Questions??

10



## Association Business Insurance Solutions

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### Contact Information

**Josh Srnka**  
Account Executive  
Aon Association Services  
1120 20th Street, NW, 6th Floor  
Washington DC, 20036  
Phone: 202.429.8543  
Email: [josh.srnka@aon.com](mailto:josh.srnka@aon.com)  
Website: [asae-aon.com](http://asae-aon.com)

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## VII) TRAINING & EDUCATIONAL WEBINAR RECORDINGS

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A series of Webinars were held in 2011 and 2012 to educate chapter leaders about the new criteria for affiliation. Please refer to the links on your membership group website to review these recordings. The PowerPoint presentations that accompanied the recordings are attached.

**1. AHA Chapter Webinar recorded on December 13, 2011**

**Recording link:**

<http://www.infiniteconferencing.com/Events/AHA/121311aha/recording-playback.html>

**2. PowerPoint Presentation on Separate Entities (5 pages)**

	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>
	<p>What is a separate legal entity?</p> <p>A separate legal entity can enter into contracts in its own name and can sue or be sued. Separate legal entities may be incorporated or unincorporated.</p>

	<p>What does it mean to be incorporated?</p> <p>An incorporated entity has filed appropriate papers with a state to obtain corporate status. Reports must be filed with the state to maintain corporate status.</p> <p>What happens if reports are not filed when required?</p> <p>Corporate status dissolves and the entity is considered an unincorporated entity.</p>

BARNES & THORNBURG LLP  
btlaw.com

	<p>What is the advantage of incorporation?</p> <p>Incorporation forms a protective shield around the activities of the corporation. Unless an officer, director or member has engaged in personal wrongdoing, it is rare for them to be sued for debts or obligations of the corporation.</p> <p>What is a member's responsibility for debts or obligations of an unincorporated entity?</p> <p>In most states, a member can be held personally liable for the debt or obligations of an unincorporated entity. That is true for officers, directors, and other members.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

	<p>When are bylaws required?</p> <p>Bylaws are required of all separate entities, whether unincorporated associations or corporations. The bylaws are the entity's own rules for self-governance.</p> <p>When is an employer identification number required?</p> <p>Every individual and entity must have its own "employer identification number" or "EIN", whether or not it is an employer.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

	<p>What is tax-exempt status?</p> <p>That is a status which permits entities to pay tax on some revenue streams but not others. Those entities are typically charitable and educational organizations, social welfare organizations and trade and professional associations.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

	<p>How does an entity obtain tax-exempt status?</p> <p>An entity obtains tax-exempt status by filing an application with the Internal Revenue Service. Form 1023 is filed for Section 501(c)(3) charitable and educational organizations. Form 1024 is filed for other types of tax-exempt organizations.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

	<p>What kind of annual reports does the IRS require?</p> <p>Each exempt organization must file some version of Form 990: either the regular 990, the 990-EZ, or the 990-N. Form 990-N can be filed by organizations with less than \$50,000 in gross revenue averaged over 3 years.</p> <p>Failure to file the appropriate Form 990 can result in fines and penalties.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

	<p>What is the result if an entity fails to file for tax-exempt status?</p> <p>The IRS will reject its Form 990 if it does not recognize the entity as tax-exempt.</p> <p>Entities which are not tax-exempt must file Form 1120 and pay federal income tax on profit.</p> <p>If an entity is required to file Form 1120 and fails to do so, it can be charged with civil fines and penalties and also criminal penalties. If it is unincorporated, its members can be personally responsible for these fines and penalties.</p>
	<p>BARNES &amp; THORNBURG LLP btlaw.com</p>

Is it necessary for an entity to purchase insurance to cover its activities?

The purchase of general liability insurance and directors and officers liability insurance is always a good idea. The purchase of such insurance is crucial if the entity is unincorporated.

## VIII) PMG CHAPTER WEBSITE CONTENTS

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A website is a crucial tool that chapters can use to provide up-to-date information to members. Nowadays, most people take a look at an organization's website first to learn more about what it does and the services provided to members.

Setting up a website may seem like a daunting task, but it can be quite easy with the correct tools and resources. This task should be given to an individual that can commit the time to creating and maintaining the website. The website should be updated as needed, and should always have contact information for anyone with questions.

Some chapters already have their website hosted by the state hospital associations. This might be an option for your chapter, so that would be a great place to start. If that is not an option, you can research an ISP (Internet Service Provider) to host your chapter's site. Costs vary by each ISP, so it might be helpful to shop around. GoDaddy.com and Sandcastle-web.com are just two options that you can look into to host your site.

Once a provider has been chosen, you will need to gather the information needed to create the site. You will want to include your chapter name and logo, if applicable, as well as basic information about the chapter. Membership benefits and dues should be on the site, as well as an event calendar. Also be sure to provide contact information that is easily accessible to the person viewing the site. This can be a general email address, or a list of the Executive Committee's contact information. Additional items on the site may include the chapter bylaws, officers, newsletters, resources, meeting minutes, etc. This keeps members informed on what is going on in the chapter.

Another option for your site is to process membership dues and registration fees. This is a great idea especially for larger chapters and chapters that host many events. For a small fee, PayPal can host this portion of the site and save your chapter a lot of time and energy processing payments.

## IX) MEMBERSHIP RECRUITMENT TIPS

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Now that you have established your chapter, you will need to begin creating strategic goals based around membership recruitment and retention. After all, your chapter cannot run without the dedication and financial support of your members.

One of the best tools to use in recruiting members is having a summary of benefits to provide to individuals you are marketing to. It sounds basic, but having a document that summarizes what the chapter is all about and how a member will benefit from joining is very effective.

Here are some key tips:

- Set realistic goals for retention and recruitment
- Benchmark like chapters
- Develop a leads/prospects questionnaire
- Communication to prospect lists
- Create communication strategy (consider email, post office mail, social media, word of mouth)
- Plan local networking events
- Consider trial memberships (either complimentary or discounted)
- Give the personal attention, personalization is very important

Templates:

- Membership Benefits Document
- Prospect Questionnaire

# X) MEMBERSHIP ROSTER TEMPLATE

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Each affiliated chapter is required to provide an up-to-date membership roster to the Chapter Liaison. The roster should include basic contact information such as name, title, organization, address, phone and fax, email address, and number of PMG members. The roster may also contain information such as membership dates, dues, PMG membership details, etc. The more comprehensive the roster, the more help each PMG can be to the chapter. The roster should be sent within 30 days of signing the affiliation agreement, and annually with the year-end chapter report.

Fields for reporting (may be formatted in Excel)

Chapter Name:

Submitted By:

Date Submitted:

**Data:**

First Name

Last Name

Title

Organization

Address 1

Address 2

City

State

Zip Code

Telephone

Fax

Email

Member of PMG?

## **XI) YEAR END CHAPTER REPORT TEMPLATE**

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Each affiliated chapter will be required to submit a year-end report to the chapter liaison. This is a great opportunity for the chapter to summarize the accomplishments of the year. By providing this information, the PMG is able to see where a chapter is finding success and where there is an opportunity for improvement. This is also a great way to start organizing for award submissions for some affiliated chapters.

SAMPLE CHAPTER ANNUAL REPORT FORM

**Chapter Annual Report Form**

Please update the following information for our file and return this form by January 31, 201X:

Reporting Year: 201\_\_\_\_

Election Date \_\_\_\_\_

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**Chapter Name** (Official Name)

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Mailing address of Headquarters (if applicable)

City/State/Zip

---

Telephone

Fax

Website

**Chapter Officer** (please list):

**President**

---

Employer Name

Work Title

---

Mailing Address

City

State

Zip

---

Telephone

Fax

E-Mail Address

---

**President-Elect**

---

Employer Name

Work Title

---

Mailing Address

City

State

Zip

---

Telephone

Fax

E-Mail Address

---

**Advocacy Liaison – IF APPLICABLE**

---

Employer Name

Work Title

---

Mailing Address

City

State

Zip

Telephone

Fax

E-Mail Address

---

**PMG Liaison – IF APPLICABLE**

---

Employer Name

Work Title

---

Mailing Address

City

State

Zip

---

Telephone

Fax

E-Mail Address

**State/Federal Tax Status**

**At the filing of this report, is the Chapter:**

- A. Incorporated  Yes  No If so, please provide Articles of Incorporation.
- B. Chapter has Tax Exempt Status with the IRS  Yes  No. If yes, please provide a current copy of your tax-exempt letter.
- C. Does the Chapter currently hold a bank account in good standing?  Yes  No.
- D. Does the Chapter currently have an Employer Identification Number (EIN)? If so, please provide a copy.

## **XII) RESOURCES FOR OBTAINING A BANK ACCOUNT**

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The Healthcare Associates Credit Union (HACU) is a resource for chapters seeking a banking solution. Through a master agreement with the American Hospital Association, HACU is available to AHA employees and members, including members of chapters of a personal membership group.

For chapters seeking a banking solution in order to meet the Level I criteria of the Affiliation Agreement, HACU is available to assist.

For more information about obtaining a bank account in the Chapter's name, view the HACU website at: <http://www.hacu.org/>

HACU contact:  
Norma Cantrell  
Director of Business Development  
1151 E. Warrenville Road  
Naperville, IL 60563  
Phone: 630-276-5730  
Email: [ncantrell@hacu.org](mailto:ncantrell@hacu.org)

v. June 2013

## **XIII) SAMPLE CHAPTER NEWSLETTER**

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# E-Mail Newsletter

<<Add Date>>

Volume 1, Number 1

*“Make sure you don’t lose the customers you’ve spent so much energy to acquire.”*

Keep these things in mind for a newsletter with impact:

- Use big headlines.
- Make your articles short and to the point.
- All information should be of value to the customer.

Here’s an easy way to use text you’ve already formatted as

## Staying in Touch with Customers

Often businesses spend as much time and effort gathering new customers as they do on anything else. It’s also one of the most costly functions of doing business. So it’s important to make sure you don’t lose the customers you’ve spent so much energy to acquire. The alternative is to continue with the time-consuming process of finding new customers from an ever shrinking pool of prospects. And since it costs much less to keep existing customers instead of constantly replacing them, it just makes good business sense to do what it takes to keep them coming back.

Regular communication with your customers lets them know how much you value them and their business. Show them you care by offering valuable information such as tips on how to utilize your products and services more effectively, event announcements, information on upcoming new products and expanded services, and special discounts on existing ones.

## E-Mail Newsletters—Quick, Easy

Utilizing an e-mail newsletter can be an effective, low-cost method for staying in touch with your customers. It helps reduce churn and can easily generate more business from customers you’ve already spent a great deal of effort to win. Since there are no mailing and printing costs involved, it’s also very gentle to your bottom-line. Another benefit is the almost instantaneous delivery e-mail affords you. You don’t have to worry whether the post office will get the newsletter to your customers in time for them to take advantage of a special offer.

Microsoft Office makes it simple to create and send a powerful e-mail newsletter for maximum impact. Customers will appreciate the regular communication and you’ll be rewarded with more business from your existing customer base.

## Create a Customized Template



Add your company logo, change the colors to reflect the ones your business uses, put in your business address, phone numbers, Web site address—in other words develop a basic template reflecting your company’s look that will stay the same for each issue.

It’s a good idea to use the Web Layout view (**View\Web Layout**) when creating your newsletter. That’s the look your customers will be seeing when they receive your e-mail.

## Fonts

*the basis for a new paragraph, character, or list style:*

1. **Select the text, choose Format\ Styles and Formatting, and click New Style. You'll see all your new style characteristics displayed.**
2. **Name your new style, check the Add to Template box, and click OK.**

Company Name  
Street Address  
Address 2  
City, ST ZIP Code

Phone:  
(485) 555-0111

Fax:  
(485) 555-0122

E-mail:  
someone@example.com

We're on the Web!  
www.adatum.com

Choose the fonts you will be using for headlines and body text. A good rule is to never use more than 2-3 fonts in your newsletter. Any more becomes confusing, making your efforts look less professional. Be creative with the ones you do choose. Utilize different sizes and colors, using bold and italics to add variety without confusing the look of your newsletter. You can add these custom styles to your template's style palette so they are instantly available.

Finally, delete any features you won't be using. Once you are done with these general changes, save the result as a Word template.

## Add Articles and Graphics



One distinct difference between a printed newsletter and an e-mail version is the amount of text to include. Unless you know all your readers will be interested in a longer version, you should keep the amount of information to around 1,000 words or less. Anything more becomes tiresome to read in an online format and you may lose their interest before they read the items you really want them to see.

### What to Include

Some items to think about including might be new employee introductions, recent awards presented to your company, specials and discounts on products or services, new product announcements, and information on new ways to take advantage of your products or services. Don't include items that might only be of interest to a few customers, you want to capture and hold the interest of as many readers as possible.

### Add Graphics

Add graphics and/or pictures with captions to help break up the text and create some visual interest. But make sure whatever you add relates to the adjacent text. A picture of the company dog might be cute, but if the story surrounding it is about a new product the picture will only serve to confuse your readers.

### Contact Information

Be sure to include contact information in more than one place. Not only should it be part of your master template, you should include "For more information..." contacts in every article where it's appropriate. Don't make your customers hunt for the information; chances are they won't take the time.

### Web Links

Include links to the company Web site wherever you can. Be sure to update the site to include the information you are referring them to. It's easy to include hyperlinks in your newsletter that will take customers right to your Web site or get them started with an e-mail to your sales staff.

## Proofread

When you've completed your newsletter, it's time for one of the most important steps of all—proofreading. Go back through every article, headline, caption, and callout. Take several passes through the material, looking for different things each time.

## XIV) APPENDIX

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**PLEASE NOTE:** THE CONTENTS OF THIS TOOL KIT ARE CURRENT AS OF **JUNE, 2013**. PLEASE REFER TO THE PERSONAL MEMBERSHIP GROUP WEBSITE FOR THE MOST CURRENT INFORMATION OR CONTACT THE MEMBERSHIP GROUP CHAPTER LIAISON WITH QUESTIONS.

THANK YOU!