

**PMG Chapter Affiliation Agreement
2012
FAQ's**

Why are you changing the affiliation agreements with PMG chapters?

The primary goal in changing the affiliation agreements with PMG chapters is to ensure the protection of chapter members, volunteers, the PMG, and the AHA. In addition, through various conversations with PMG staff it became evident that PMG-Chapter arrangements were not consistently formed nor understood. In an effort to minimize variation and understand the association chapter environment, PMG leadership with AHA Legal Counsel engaged PMG staff in a process to evaluate the PMG Chapter strategy and identify a common approach across all groups. The revised agreement represents a commitment to the valuable role of chapters and the necessity of defining their relationship to the PMGs/AHA.

What process did you follow to evaluate the PMG affiliation arrangements?

We surveyed the PMGs about the scope of their chapter arrangements. Next, we retained outside legal counsel with expertise in non-profit, tax-exempt organizations who described various chapter affiliation arrangements and risks associated with each. Legal counsel also provided three webinars for PMG Board and chapter leaders in the fall of 2011.

A staff level task force was formed in June, 2011. Participating staff met on a regular basis to discuss chapter arrangements, practices, strategies, and administration of the chapter relationship. The scope of the effort was defined as follows:

1. Meet as a team to share information, practices, and knowledge of the current chapter affiliation processes.
2. Determine the strategy behind the chapter affiliations. Reach consensus among the groups and commit to consistency in the mechanics of the chapter affiliation arrangement.
3. Evaluate options for an affiliation agreement that meets strategic goals, protects the chapters (leaders/volunteers), and the PMGs/AHA.
4. Advance staff, volunteer leader, and chapter leader understanding of what it means to be a 'separate entity'.
5. Create a new affiliation agreement that clearly defines the respective roles of the PMG and its chapters. Define the responsibilities of each party – a clearer delineation of the role of the PMG and chapters and the scope of responsibility of each party to the chapter relationship.
6. Roll-out a chapter affiliation agreement that minimizes the risk of the PMG-Chapter relationship while fostering a relationship of collaboration on behalf of the profession each entity serves.

What are the key changes?

There are two levels of affiliation, each with criteria that must be maintained by the chapter. Every chapter wishing to be an affiliate of the PMG 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.

Level I criteria:

- Chapter must have at least 20 members.
- Chapters with less than 100 members must have at least 15 members who are also members of the corresponding PMG. Chapters with more than 100 members must have at least 15% of their members who are also members of the corresponding PMG.
- President and President-Elect of the chapter must be PMG members.
- Chapter must fully execute a chapter agreement with the PMG.
- Chapter must have obtained its own Employer Identification Number.
- The chapter must maintain a bank account in the chapter's name.
- The chapter must be incorporated as a not-for-profit corporation and be in good standing in its state of incorporation.
- The chapter must have started the process for obtaining tax-exempt status from the IRS.

The Level I criteria above must be met by January 31, 2014.

Once affiliated, what are the criteria for maintaining chapter status? (Reference Exhibit B)

Level II criteria

- PMG may require chapter to have a higher number/percent of PMG members in common than in level II (PMG specific)
- Chapter must have a mission statement that helps advance PMGs mission
- Chapter must be governed by bylaws that are compliant with relevant laws
- Chapter must obtain an exemption from federal income taxes under section 501(c) of the IRS
- Chapter must obtain general liability insurance providing the following minimum coverage: XX and include proof of such insurances with its annual report.
- The chapter must maintain directors and officers liability insurance and include proof of such insurance with its annual report.

The Level II criteria must be met by January 31, 2016.

What resources are available to us as we work to meet the criteria for affiliation?

An Affiliation Toolkit with materials to familiarize affiliated chapters and those wishing to become affiliated will be posted on the PMG websites. Additional resources or updates to existing materials will be shared from time to time. Throughout the initial period moving to the new agreement form, the PMGs may provide webinars or other posted resources to support chapters.

What will the Affiliation Toolkit include?

The Affiliation Toolkit will include the following:

- Samples of :
 - Bylaws
 - Articles of Incorporation
 - Employer Identification Number (EIN) application
 - Tax Exempt application and letter
 - Mission Statement
- Style Guide
- Insurance recommendations and contacts
- Annual Report Template
- Yearly Affiliation Check List

What if we don't or can't meet the criteria?

Chapters will have until January 31, 2014 to reach Level I chapter status. If a chapter cannot meet the requirements by this date, they will not be permitted to describe or promote the chapter as an affiliated organization of the PMG/AHA. As such, they may not use the PMG name or acronym, including in the chapter name, unless their chapter status is current.

When are the changes effective?

All current chapters must submit an agreement by December 31, 2012 and provide the required documentation for renewal of their affiliation status every year, between October 1 and December 31, 2012.

How do these changes impact the current chapter recognition programs?

Some PMGs offer various levels of recognition based on a chapter's activities and participation. The existing recognition programs are not changing. However, Chapters will be required to be affiliated in order to participate in the recognition program. Contact your PMG chapter representative for more information on the recognition program.

What is the process for affiliation?

- ✓ Review the entire affiliation agreement with chapter leaders
- ✓ Secure the agreement of relevant chapter parties
- ✓ Submit the signed affiliation agreement and include the required documentation (see check list)
- ✓ Contact the appropriate PMG staff with questions.

Once submitted, the PMG will review the agreement. If called for in the PMG bylaws, agreements will be forwarded to the PMG Board for approval. Chapters participating in the new affiliation process can expect to receive confirmation of their affiliation status no later than February 28, 2013.