



## **GUIDING PRINCIPLES FOR ORGANIZATIONAL AFFILIATION BETWEEN APPA, THE REGIONS, AND CHAPTERS**

### **I. Purpose:**

The purpose of this document of understanding is 1) to establish guiding principles for the relationship between APPA and its regions and chapters (Affiliates) and 2) to state mutually agreed upon business practices and obligations in order to improve the educational facilities profession.

### **II. Basic Principles:**

All regions and chapters shall be a tax-exempt, nonprofit association. For those chapters in the United States, the criteria for this status is defined by the Internal Revenue Code 501(c)3 regulations. For those chapters in Canada or elsewhere internationally, the criteria shall be defined by their provincial government. The purposes of the regions and chapters shall be in agreement with the purpose of APPA, which is addressed in Article II of APPA's Bylaws (see Appendix). In addition, all regions and chapters must adhere to the Limitation of Activities addressed in Article XVIII. Articles II, X, and XVIII of APPA's Bylaws provide the overarching, basic governing principles for all regions and chapters in this document.

**For immediate and quick reference, pertinent sections of APPA's Bylaws have been extracted and provided in the Appendix.**

### **III. Grant of Charter:**

APPA's Board of Directors is the governing body that grants a non-exclusive charter to regions and chapters to be APPA affiliate organizations, and authorizes them to use the designation "APPA Region or Chapter." APPA also grants regions and chapters a limited right to use intellectual property of APPA such as trademarks or copyrights.

### **IV. Separate Entities and Indemnification:**

**Separate Entities:** APPA and its regions and chapters expressly acknowledge and agree that they are, and shall remain, separate organizational entities and that no expressed partnership or agency is created by virtue of this document. As such, neither party shall be authorized to incur any liability, obligation, or expense on behalf of the other.

**Indemnification:** In furtherance of the above intention, regions and chapters hereby agree to indemnify and hold harmless APPA, its officers, directors, agents, members, and employees, from and against any action, suit, proceeding, claim, damage, liability, obligation, cost, or expense which may arise by reason of any act of omission by regions and chapters, or any of its officers, directors members, or employees. Similarly, APPA agrees to indemnify and hold harmless the regions and chapters against such actions, etc.

**V. APPA's Responsibilities:**

APPA shall support the activities of regions and chapters within the guidance of APPA's Board of Directors to the extent practical and subject to the availability of resources. This may include: membership data management, membership dues collections, sponsoring and holding certain educational programs in the regions, chapters, or international territories sending an APPA representative to meetings of regions and chapters, and/or providing educational materials, membership collateral, publications, etc.

**VI. Regions and Chapters' Responsibilities:**

Obligations of regions and chapters shall include the following:

**Affiliate Status, Activities, and Purposes:** Each region and chapter ensures that it is incorporated as a nonprofit corporation and is tax exempt under Section 501(c)3 of the Internal Revenue Code or equivalent international status. Each region and chapter ensures that it is in good standing under the laws of the state of its incorporation. Regions and chapters should endeavor to conduct their activities within the highest legal and ethical standards.

**Record keeping:** Each Region and chapter shall maintain all records related to its corporation and tax-exempt status and will provide to APPA a copy of its Articles of Incorporation, By-laws, tax exemption status and determination letter from the Internal Revenue Service or equivalent international governmental document. Any amendments to the Articles of Incorporation or Bylaws approved by the membership of the regions and chapters will be provided to APPA in a timely manner in order to keep APPA's records up-to-date and to comply with federal regulations.

**Compliance with Laws:** Each region and chapter ensures that it has and shall continue to comply with all applicable laws, regulations, and other requirements in the performance of its responsibilities. Further, each region and chapter ensures that it has obtained and will continue to maintain at its own expense, all permits, licenses, and other governmental approvals that may be required in the state or territory in the performance of its responsibilities. Each region and chapter ensures that it shall make all required filings, such as annual

corporation returns and tax filings that may affect its incorporation or tax status. (On a need to know basis, APPA may request the Affiliates to furnish evidence of such permits, licenses, approvals, and documents of filings.)

**Educational Programs:** The Regions, chapters, and APPA will exchange a schedule of upcoming meetings, conferences, and seminars, as well as other related activities that each intends to sponsor. The purpose of which is information sharing and broad-based dissemination to the educational facilities marketplace.

**Insurance:** Each region and chapter ensures that it has obtained, or shall obtain insurance to protect the Affiliate and APPA. Such insurance shall include general liability insurance, directors and officers liability insurance, non-ownership automobile liability, travel accident insurance, and host liability insurance. Each region and chapter should evaluate its own risks and procure appropriate insurance coverage. Upon individual request, APPA will assist the region/chapter(s) to meet this necessary requirement.

**Use of Trademark and Copyrighted Material:** Use of APPA's logo, trademarks, name, and educational materials or membership publications should be approved by APPA. Correspondingly, APPA will request approval by the Affiliate(s) for use of similar items or materials.

**Confidential Information:** All regions and chapters shall maintain the confidentiality of any or all of APPA's confidential and/or proprietary information or data. Such confidential information shall at all times remain the property of APPA and shall be furnished to Affiliate(s) in confidence and solely in connection with the Affiliate's needs or requirements stated in this document.

**For Chapters only:** APPA urges chapters to establish a cooperative relationship with the region in their geographic location and as defined by their own By-laws and those of APPA and the region. This cooperative relationship should include a notification to the regional president and/or officers of their existence, exchange of a list of officers, and sharing their educational program plans annually.

## **VII. Grant of Group Exemption:**

APPA may grant the Affiliate APPA's group tax-exempt status.

The process is as follows: 1) Each region or chapter must establish an incorporation status and obtain the tax identification number issued by the Internal Revenue Service or equivalent international governmental requirement; 2) Each region and chapter shall provide APPA with their Articles of Incorporation, Bylaws, Tax ID Number, and a ultimately a Consent Form signed by the president (or his/her designee) of the Affiliate; 3) APPA will complete the IRS requirements and upon receiving approval notification, APPA shall inform the

president (or his/her designated officer of the Affiliate; 4) Each region and chapter under APPA's group exemption status must file a yearly IRS form 990 or 990EZ "Return for Organizations Exempt from Income Tax by August 15 and provide a copy of the report to APPA (with international entities meeting their own governmental requirements); 5) Each region and chapter under APPA's group exemption status must provide an update of their contact person (usually the secretary/treasurer) with their address by October 15; 6) APPA will file a yearly Declaration to the Internal Revenue Service in December and will send a copy to the Affiliate representative; 7) Each region and chapter under APPA's group exemption status must have the same fiscal year as APPA's from April 1 to March 31, for its fiscal operation.

#### **VIII. Miscellaneous:**

**Overall Understanding:** This document, together with any appendix, constitutes the entire understanding between APPA and each region and chapter with respect to the related subject matter. Amendments to this document shall be made in writing and signed by both parties.

**Controlling Law:** This document shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia since APPA's headquarters office is located in Virginia.

**Severability:** Even if a provision of this document is determined to be invalid or unenforceable in whole or in part, the remaining provisions shall be considered valid.

**Notice:** Any notice contemplated by, or made pursuant to this document shall be in writing.

The parties noted below agree to the validity of this document as executed by their duly authorized representatives effective as of the date first signed.

**CHAPTER**

Signed by:

Name:

Title:

Date:

**REGION**

Signed by:

Name:

Title:

Date:

**APPA**

Signed by:

Name:

Title:

Date:

## **APPENDIX**

### **By-laws of APPA (extracted portions)**

#### **Article II – Purposes**

The purposes of the Association, subject to the limitations of Article VIII hereof, are to develop and maintain high standards in the administration, care, operations, planning, and development of facilities used by institutions of higher education; to promote professional ideals and standards to better serve the objectives of higher education; and to engage in such other related activities as may be desirable or required to fulfill the purposes and objectives of the Association.

#### **Code of Professional Conduct**

This code of conduct is hereby stated in order to fulfill the purposes of the Association:

In pursuit of the purposes of the Association, members shall seek to blend the stewardship of facilities and assigned resources with the obligation for support service to the mission and programs of the institution. Members shall maintain professional expertise in facilities management through regular participation in educational events. Members are encouraged to attend an official Association or regional educational event every two years. No member shall abuse any privileges that may be extended as a result of his/her membership or position in the Association or institution. No member shall misrepresent his/her professional status, competence, or experience when applying for or maintaining any employment position where such background is a factor. No member shall allow the use of his/her name or likeness in a manner so as to misrepresent higher position or institution, or otherwise mislead the public concerning rank of service.

## **Article X – Regional Organizations and Chapters**

### **A. Regional Associations**

Regional associations are established for the purpose of promoting common interests in the maintenance, operation, planning, and development of facilities management organizations of institutions of higher education in the several regions, to foster the professional spirit among people engaged in such work, and to aid and supplement the work of the Association as long as each regional association qualifies as an organization exempt from United States Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and 509(a)(1), (2), or (3) and 509(a)(1), (2), or (3) of such code or must qualify as a governmental institution, agency, or unit under such code (of the corresponding provisions of any future United States internal revenue laws) or equivalent international status. Regional associations shall be autonomous, in that each may admit such membership and maintain such dues structure as the regional association deems desirable so long as such action is consistent with its governing instruments and its status under the laws of the United States and other applicable laws or equivalent international requirements. The established regions of the Association are:

Eastern Region, Southeastern Region, Midwest Region, Central Region, Rocky Mountain Region, and Pacific Coast Region. (The list of states is not reprinted here.)

### **B. Chapters**

The Board of Directors may establish state, local, or student chapters to further the interests of the Association in accordance with these Bylaws and such policies and procedures as adopted by the Board. Chapters may use the Association name and logo in accordance with such policies and procedures. For entities within the United States, the chapter must qualify as an organization exempt from the United States Federal income tax under Section 501(c)(3) of the Internal Revenue code (which may be under the Association's group tax exemption). Chapter shall be autonomous, in that each may admit such membership and maintain such dues structure as the chapter deems desirable so long as such action is consistent with its governing instruments, its status under applicable law, and these Bylaws. Student chapters must have a faculty advisor in accordance with policies and procedures adopted by the Board.

## **Article XVIII – Limitation of Activities**

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its Directors, officers, other private individuals, or organizations organized and operating for profit, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth in Article II, hereof.

No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation. The Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any provision in these Bylaws or in the Association's Articles of Incorporation, the Association shall not carry on any activities not permitted to be carried on: By an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code of 1954 as an organization described in Section 501(a)(3) of such Code (or the corresponding provision of any future United States Internal Revenue law), By an organization described in Section 509(a)(1), (2), or (3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law, and By an organization described in Sections 170(c)(2), 2055(a)(2), or 2522(a) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law).