

ADOPTED, 10/27/12.

## **STANDARD TERMS AND CONDITIONS FOR AFFILIATION**

**WHEREAS**, The Arc of the United States, Inc. (“The Arc”) is a national nonprofit organization that organizes, leads and supports a nationwide federation of nonprofit, charitable organizations committed to protect and promote the human rights of people with intellectual and developmental disabilities (“I/DD”), and to provide supports and services that assist them to be included and fully participate in all aspects of community life throughout their lifetimes;

**WHEREAS**, The Arc is a Maryland nonstock corporation, with membership composed of affiliated state and local Chapters of The Arc as defined in the Bylaws of The Arc as currently exist and as may be revised from time to time (“Bylaws”);

**WHEREAS**, the qualifications and requirements to be a Chapter of The Arc are set forth and described in the Bylaws and are further described in these Standard Terms and Conditions for Affiliation (“Terms and Conditions”) are also intended to describe the nature and characteristics of the working relationship between The Arc and state and local chapters of The Arc;

**WHEREAS**, Chapters of The Arc have, on October xx, 2012, adopted and approved these Terms and Conditions;

**NOW, THEREFORE**, the following Terms and Conditions are operative and effective as of January 1, 2013.

### **I. Obligations of The Arc**

The Arc’s obligations are to conduct its affairs in accordance with the terms of The Arc’s Core Values and Guiding Principles, Position Statements and Public Policy Agenda. Consistent with available resources, The Arc shall engage in those activities that are typically the business of a national headquarters of a strong federation of nonprofit charitable organizations, including but not limited to: federal public policy advocacy, public education, brand management and marketing, fundraising, research, program development, chapter development and support, professional and volunteer development and support, research and knowledge development, and coordinating and supporting state public policy advocacy. The Arc shall make its best efforts consistent with available resources to advance the mission and vision, goals and strategies set forth in the *Strategic Framework for the Future of The Arc, 2010 – 2019*, or any future strategic plan. In addition to the specific procedures and requirements set forth in the Bylaws, The Arc shall actively involve Chapters in the development of any future strategic plan for the organization and in otherwise providing guidance and direction for the future of the organization.

In addition, The Arc’s obligations include the following:

- A. Corporate and Tax Status. The Arc shall at all times be in good standing as a nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- B. Corporate Governance. The Arc will conduct its activities in accordance with the terms of Corporation's Articles of Incorporation, Bylaws and governance policies as exist or may be revised from time to time.
- C. Compliance with Laws. The Arc will fully comply, and otherwise conduct its activities at all times in accordance with, all applicable laws, regulations and other legal standards.
- D. Reporting of Membership Information. Annually, The Arc will provide each Chapter with a list of the names and contact information, including postal mail and email addresses, and telephone numbers of individual Members of The Arc who joined the national organization directly and who are in the particular chapter's geographic area ("national membership list"), which information shall be used by Chapters solely for the following purposes:
1. to communicate with members regarding public policy developments, including requesting their involvement in advocacy;
  2. to provide them with general information and updates about the work of the particular Chapter of The Arc, including periodic electronic and print newsletters;
  3. to determine the number of votes Chapter is entitled to pursuant to the Bylaws; and
  4. to invite the members to become donors to the Chapter and to participate in special events.
- Nothing in this paragraph I.D is intended to limit in any way a Chapter's communication with a person or entity whose name and contact information was obtained directly by the Chapter.
- E. Membership Database and Processing. The Arc will maintain a database system for tracking the names and contact information, including regular mail and email addresses and telephone number, of all individual Members of The Arc, regardless of whether they joined The Arc at the national, state or local level. Membership information provided by Chapters, including updates thereto, will be maintained in the database with access provided to Chapters no less frequently than annually of the specific membership records pertaining to the particular Chapter as needed for database management and other business purposes of Chapter. The Arc may provide enhanced database and membership management services on an optional basis at additional cost.
- F. Requests for Information. The Arc shall respond to reasonable requests from Chapter for information relating to the corporate affairs, programs and activities of The Arc.

## **II. Obligations of Chapter.**

Chapter's obligations are to conduct its affairs consistent with terms and conditions set forth for state or local chapters, as applicable, under the Bylaws of The Arc of the United States, Inc. In addition, Chapter's obligations include the following:

- A. Corporate and Tax Status. Chapter shall at all times be in good standing as a nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- B. Corporate Governance. Chapter will conduct its activities in accordance with the terms of Chapter's Articles of Incorporation, Bylaws and governance policies as exist or may be revised from time to time.
- C. Compliance with Laws. Chapter will comply with and otherwise conduct its activities at all times in accordance with, all applicable laws, regulations and other legal standards.
- D. Affiliation Dues. Chapter shall pay affiliate dues in the amount set forth in the dues schedule.

- E. Reporting of Chapter Information. Chapter shall submit to The Arc, no less than once per year, a list of the names titles and contact information, including both postal mail and email addresses, of at least the following categories of individuals:
1. Corporate officers,
  2. board members,
  3. Chief Executive Officer or Executive Director,
  4. key management staff.

- F. Reporting of Membership Information. Chapter shall submit to The Arc, no less than once per year, a list of the names and contact information, including regular mail and email addresses, and telephone numbers of individual Members of the Chapter (“membership list”), which information shall be used by The Arc solely for the following purposes.
1. to determine the number of votes Chapter is entitled to pursuant to the Bylaws,
  2. to communicate with members regarding public policy developments, including requesting their involvement in advocacy; and
  3. to provide them with general information and updates about the work of The Arc, including periodic electronic and print newsletters.

State and local Chapters may coordinate in submitting membership information jointly. Nothing in this paragraph II.F is intended to limit in any way The Arc’s communication with a person who is a board member or staff member of a state or local chapter, with a person or entity whose name and contact information was obtained directly by The Arc, or with a person who is not known to be a current member of a state or local Chapter of The Arc.

- G. Programs and Activities. Chapter shall strive to conduct its programs and activities in a manner that furthers the purposes and objectives of The Arc and is consistent with the Core Values and Guiding Principles and Position Statements. Chapter shall use its best efforts to ensure that such programs and activities are of the highest quality and are consistent with the Core Values and Guiding Principles and Position Statements of The Arc.

- H. Advocacy Efforts. A state chapter shall endeavor to conduct public policy advocacy and public education consistent with the purposes and objectives of The Arc and to the fullest extent possible given available resources. A local chapter shall endeavor to conduct public policy advocacy, individual advocacy and public education consistent with the purposes and objectives of The Arc and to the extent possible given available resources. In performing these functions, Chapter are encouraged to work with The Arc in order to ensure nationwide consistency in these efforts.

- I. State Chapter Affiliation. A local Chapter of The Arc must at all times maintain affiliation with applicable state chapter, if any. In the event of a dispute between a State Chapter and a local chapter, the parties shall use their best efforts to resolve the dispute to the satisfaction of both parties. In the event of a dispute between a State Chapter and 25% or more of the local Chapters in the state, the local Chapters may request the assistance of The Arc to conciliate the matter. The local Chapters shall provide the State Chapter at least sixty (60) days written notice of their intent to seek The Arc’s assistance in dispute

resolution. The Arc will use its best efforts to mediate a resolution of the dispute among the parties.

- J. Identifying National Affiliation. Subject to the further requirements set forth in section V herein, a Chapter of The Arc must prominently identify itself to the public as an affiliated Chapter of The Arc.
- K. Requests for Information. Chapter shall respond to reasonable requests for information regarding complaints received by The Arc from members of the public, unfavorable news coverage, matters that have the potential to harm the reputation of The Arc and its state and local Chapters and matters that are relevant to determine whether Chapter continues to meet the requirements to be an affiliated Chapter of The Arc as set forth in the Bylaws and these Terms and Conditions. A copy of any request for information made pursuant to this section shall simultaneously be provided to the applicable State Chapter of The Arc, if any.

### **III. Shared Obligations**

Recognizing that the success of The Arc as a nationwide charity federation is dependent upon and affected by the actions of The Arc, state Chapters and local Chapters (hereinafter referred to as “the parties”), the parties are committed to transparency and mutual support. In furtherance of this commitment:

A. Recordkeeping. Each party shall maintain reasonable records related to its corporate and tax-exempt status, programs, activities and operations, including financial statements.

B. Notification.

1. Each party shall notify the other party of any event(s) which create(s) a significant risk of the party:

- (a) going out of business,
- (b) losing licensing, or other governmental permissions or authorizations, necessary to deliver services, to receive payment or reimbursements for services provided, to solicit charitable contributions or otherwise conduct specific business activities;
- (b) ceasing a substantial portion of its current operations,
- (c) suffering a loss of a substantial portion of its assets,
- (d) suffering damage to its reputation and goodwill.

The purpose of such notification is to allow for the parties to provide support and assistance to one another and to work together to advance and protect the reputation and goodwill of the parties and of all of the state and local Chapters of The Arc.

2. Any notification made pursuant to this section III.B by a local Chapter of The Arc shall also simultaneously be made to the applicable State Chapter of The Arc, if any. Any notification made by a State Chapter of The Arc shall simultaneously be made to all of the local Chapters of The Arc in the applicable state. Any notification made by The Arc

shall be to all state and local Chapters of The Arc.

#### **IV. Individual and Associate Membership in The Arc**

##### **A. Individual Memberships**

1. An individual may become a supporting member of The Arc (hereinafter "Member") by joining at any level of the organization (i.e. national, state and local). A Member is someone who supports the purposes of The Arc and pays dues. However, a Chapter may elect to waive the dues requirement.
2. Chapter shall provide individuals the opportunity to become a Member of The Arc, which includes membership at all levels of the organization (i.e. national, state and local).
3. An individual Member of The Arc has such membership rights and privileges at the state and local level as are conferred by the applicable state and local Chapters.
4. State chapters, local chapters and The Arc may determine the types of membership to offer (e.g. individual, family) and whether to automatically confer membership status on different classes of persons (e.g. donors, employees, volunteers, service recipients, public officials, etc.) and the dues applicable.

##### **B. Associate Members**

1. As part of its fundraising program, a Chapter may establish and offer one or more categories of "associate membership" for persons or entities that support the purposes of the corporation including, but not necessarily limited to, the following categories:
  - (a) Business
    - i. Consultants/Sole Proprietors
    - ii. Small Business
    - iii. Larger Business
  - (b) Government Agencies
  - (c) Academic faculty, departments, researchers
  - (d) Self Advocacy Groups
  - (e) Other Nonprofits
2. A Self-Advocacy group or other nonprofit that serves people with I/DD should first be offered the opportunity and encouraged to become a Chapter of The Arc and should only be allowed to sign on as an associate member if it does not meet the qualification to be a chapter of The Arc or specifically chooses not to do so.
3. A Chapter shall not represent or imply that an Associate Member is a Chapter of The Arc and shall not authorize or allow an Associate member to represent to the public that it is a chapter of The Arc or use other language suggestive of a similar relationship. On Chapter's website or other marketing and promotional efforts, an associate member shall be publicly identified using language such as "supporter" or

similar terms. An Associate Member may not be allowed to use or display The Arc's name or logo in its own website or any of its promotional materials, other than to identify itself as a "supporter" of or "donor" to Chapter.

4. Associate membership is specific to the Chapter from which the membership was obtained and does not confer associate membership at any other level of The Arc. An Associate Member is not a corporate member of The Arc of the United States, Inc. and has no voting or other right to participate in the governance of The Arc of the United States, Inc. In addition, Associate Members are not counted for purposes of determining the number of votes held by Chapter. An individual, company or organization that would like to be an associate member at multiple levels of The Arc, or of multiple chapters at the state or local level, is required to join each chapter separately.
5. The Arc, state Chapters and local Chapters are encouraged to share associate membership information and to urge associate members to support The Arc at the national, state and local level.

#### **V. Use of Trademarks, Intellectual Property and Confidential Information.**

- A. Brand Identity. Chapter affiliation is necessary, but not sufficient, to confer authority on Chapter to use the trademarks, name, symbols and other markings of which The Arc is the legal and beneficial owner ("Trademarks"). Such usage is subject to the terms of the separate Chapter Trademark Licensing Agreement or Affiliated Chapter Trademark Licensing Agreement.
- B. Other Intellectual Property. The Arc grants Chapters a limited, revocable, non-exclusive license to use other copyrighted or proprietary information and materials provided by The Arc to Chapter during the Term of its affiliation as a Chapter ("Intellectual Property") for official chapter-related purposes, subject to the following:
  1. The Intellectual Property must be used by Chapter in a professional manner and solely for the purposes for which the Intellectual Property was provided to Chapter by The Arc.
  2. The Intellectual Property is and shall remain at all times the sole and exclusive property of The Arc.
  3. Chapter shall not permit any third party to use the Intellectual Property without The Arc's express prior written approval.
  4. The Intellectual Property may not be used in any manner that violates any law, regulation or other public policy.
  5. Chapter ensures that the applicable copyright notices are used pursuant to the requirements of United States law, the laws of the Territory, and any other guidelines that The Arc may prescribe.

In the course of making Intellectual Property available for use by Chapter, The Arc will disclose whether there are any other specific terms, conditions or restrictions (e.g. fees or charges, usage guidelines) that apply to the use of the Intellectual Property.



## Standard Terms and Conditions for Affiliation Indiana Addendum

WHEREAS, The Arc of the Indiana (“The Arc”) is state nonprofit organization that organizes, leads and supports a statewide federation of nonprofit, charitable organizations committed to protect and promote the human rights of people with intellectual and developmental disabilities (“I/DD”), and to provide supports and services that assist them to be included and fully participate in all aspects of community life throughout their lifetimes;

WHEREAS, The Arc is an Indiana incorporated nonprofit corporation, with membership composed of affiliated local Chapters of The Arc as defined in the Bylaws of The Arc as currently exist and as may be revised from time to time (“Bylaws”);

WHEREAS, the qualifications and requirements to be a Chapter of The Arc are set forth and described in the Bylaws and are further described in these Standard Terms and Conditions for Affiliation (“Terms and Conditions”) are also intended to describe the nature and characteristics of the working relationship between The Arc and local chapters of The Arc;

WHEREAS, the Board of Directors of The Arc has, on December 1, 2012, adopted and approved this Indiana Addendum to The Arc of the United States Terms and Conditions for Affiliation;

NOW, THEREFORE, the following Terms and Conditions are operative and effective as of January 1, 2013.

### 1. Purpose of Addendum

The Arc of the United States’ Standard Terms and Conditions for Affiliation is applicable to The Arc of Indiana and all local chapters in Indiana. The Addendum provides additional terms and conditions for affiliation that are unique to Indiana and its chapters.

### 2. Membership

As described in the Standard Terms and Conditions, a local chapter of The Arc must offer individuals the opportunity to be a “Member of The Arc” at the national, state and local levels. For a chapter in Indiana to be in good standing the chapter must have ten members.

Chapters must, at least once a year, provide a listing of its membership to The Arc of Indiana and The Arc of the US which is transmitted electronically. The templates for membership reporting are provided by The Arc US. The local chapter of The Arc retains any and all membership dues from its members; The Arc US and The Arc of Indiana do not receive any membership dues.

### 3. Chapter Programs and Activities

Chapters engaged in providing services should embrace The Arc’s core values when delivering services. The Arc chapters should promote and provide the highest quality programs and best practices for persons with disabilities. In today’s rapidly changing human services environment,

excellence cannot be achieved by remaining static. The provider chapter must constantly change to remain relevant to their stakeholders. In providing its programs and services, a chapter should act with the utmost professionalism and treat the persons with disabilities served with respect.

The Arc has developed The Arc of Tomorrow in which six categories and components have been identified as the basic areas in which local chapters should be actively working on and toward.

- Outreach in the Community
- Self Advocacy
- Family Support
- Membership
- Participation in State Activities/Partnership/Collaboration
- Public Policy Participation

All chapters (regardless if a service provider or an “advocacy-only) should, to the extent possible, engage in these components.

#### 4. Affiliation Fees/Dues

The Arc of Indiana, as an agent for The Arc US, collects the chapter’s national and state fees/dues. Payment of The Arc US fees/dues are payable by June 30.

Payment for state fees/dues based on a payment scheduled arranged with The Arc. In absence of a payment schedule state affiliation dues/fees are payable by June 30.