



BLUE STAR MOTHERS OF AMERICA, INC.

AFFILIATION AGREEMENT

Effective 4 August, 2012

TABLE OF CONTENTS

	<u>Page</u>
STATEMENT OF RELATIONSHIP	3
1. <u>Definitions</u>.....	3-4
2. <u>Representations of the Parties</u>	4
3. <u>Agreements by National</u>	4-5
4. <u>Agreements by Department</u>	5-6
5. <u>Agreements by Chapter</u>.....	6-7
6. <u>Assets and Liabilities</u>	7
7. <u>Intellectual Property</u>.....	7-8
8. <u>Renewal Process</u>.....	8
9. <u>Suspensions and Revocation of Charter; Disbandment</u>	8-9
10. <u>Conflict Resolution; Governing Law</u>	9
11. <u>Entire Agreement; Modification</u>	9



**Affiliation Agreement
Between
The National Executive Board (NEB) and
Department or Chapter _____**

STATEMENT OF RELATIONSHIP

The Blue Star Mothers of America, Inc. (Corporation) is a Congressionally-chartered organization formed for the purposes of supporting America's military, veterans and their families. Its members are mothers of men and women who are serving or have served in the U.S. Armed Forces.

Every Member of the Corporation is a stakeholder in the organization. This Agreement is for the benefit of all Members, to ensure that all levels of the organization work together effectively and efficiently.

National (as defined below), Department (as defined below) and Chapter (as defined below) are part of a diverse yet interdependent organization. This document represents commitment of all levels of the organization to approach challenges in a unified and mutually supportive manner mindful of each other's roles and respectful of each other's strengths. Each level of the organization has responsibilities for achieving each component of our mission of support and patriotism and must be held accountable to the Members for fulfilling these responsibilities.

In consideration of the foregoing and the mutual promises contained herein, National and Department or Chapter _____ enter into this legally binding Agreement (Agreement) to strengthen our commitment to fulfill the Corporation's mission

1. Definitions.

- 1.1 "National" shall mean the Corporation, which is a Federally-chartered nonprofit corporation based in Washington, D.C., with Chapters throughout the United States. The executive body at the national level is the NEB, which is charged with carrying out the functions of the organization between annual conventions.
- 1.2 "Department" shall mean the entity based in the State of _____ that is charged with carrying out the Corporation's mission at the state-level by working with all local Chapters located in _____, if such an entity exists.
- 1.3 "Chapter" shall mean _____, the entity charged with carrying out the Corporation's mission at the local

level within a geographical area within _____, as approved by National.

- 1.4 “Binding Arbitration” shall mean the hearing and determination of a case in controversy by a person (Arbitrator) chosen by National and Chapter, with the resulting decision by the Arbitrator being a final resolution of the controversy.
- 1.5 “Department and Chapter Standards” shall mean those criteria developed by National, the Departments and the Chapters and utilized by National to determine if a Department or Chapter meets the minimum requirements to maintain its status as a “Department in Good Standing” or as a “Chapter in Good Standing”.
- 1.6 “Intellectual Property” shall mean any and all intangible assets that consist of human knowledge and ideas that belong to the Corporation, the use of which is overseen by National. This includes, for example, patents, copyrights, trademarks, logos, and program or project names.

2. Representations of the Parties

- 2.1 National represents and warrants that it is a corporation validly existing and duly organized under the laws of the District of Columbia.
- 2.2 Each Party represents and warrants that each has the authority to enter into this Agreement and that each it is not a party to any other agreement which prohibits the entering into of this Agreement, or which renders any provision of this Agreement ineffective or unenforceable. This Agreement is not in, and shall not be construed as to, conflict with the Charter or with any of the Corporation’s Governing Documents.

3. Agreements by National

- 3.1 National shall provide fair and impartial leadership for the entire organization.
- 3.2 National agrees that, to the extent reasonably practical, it shall facilitate and support Department and Chapter activities consistent with the goals and mission of the Corporation.

National shall provide guidance, instruction, and training to all Departments and Chapters with respect to accounting procedures and financial reporting requirements, the management infrastructure of Departments and Chapters, as well as the communications infrastructure of the Corporation. This includes providing Department and Chapter with copies of the Charter and the Governing Documents, the National Convention Minutes, the National Financial Rules, the National Handbook, all guidelines prepared by National regarding any official Corporation programs, and any other written policies adopted by the NEB through the use of modern technology, programs and systems to include the website and information relating the necessary tax filing documents (990) filed by January 15, implemented by the I.R.S., each fiscal year. No single Chapter, Department or individual shall be given preferential

treatment. This may require that a Chapter, Department or individual may have to put forth a personal effort to work with a Chapter or fellow Member who has the access to the technology utilized to distribute and disburse information and training materials National shall also provide a free link on the Corporation's Website to Department and Chapter's own pages or websites as well as provide free access to the Corporation's online communication groups. National shall provide Department and Chapter with a quarterly newsletter that will be made available to Department and Chapter online and will also be available in paper form upon request. Finally, National shall also provide Department and Chapter with current contact information of all National Officers and Program Chairs.

As more specifically detailed below, National grants to Department and Chapter a non-exclusive right to use the trademarks, service marks, logotypes, or other symbols of National, as well as copyrighted material owned by National. Fees must be paid to National in accordance with the National Financial Rules.

- 3.3 Provided that Department and Chapter are each in compliance with this Agreement and with applicable provisions, of the Code during the term of this Agreement, both Department and Chapter is entitled to use the group exemption obtained by National from the I.R.S. A violation by Department of this provision shall not affect Chapter's ability to utilize National's group exemption. Likewise, a violation by a Chapter shall affect only the Chapter's ability to utilize National's group exemption.
- 3.4 National agrees to consistently solicit a broad range of Department and Chapter input regarding all matters affecting the organization and the General Membership.

4. Agreements by Department

- 4.1 Department agrees to promote the Corporation's mission within _____.
- 4.2 Department agrees to comply with all Department Standards adopted in accordance with the Governing Documents themselves.
- 4.3 Department agrees to provide National and the Chapters within its state with current contact information for all Department officials, including a current mailing address for all Corporation correspondence directed to Department.
- 4.4 Department agrees to provide National and every Chapter within its state with a copy of the following: Department's Charter and Standing Rules, the minutes from Department's Convention, and any other policies that Department adopts. This distribution may be through the use of modern technology, programs and systems. No single Chapter or individual shall be given preferential treatment. This may require that a Chapter or individual may have to put for a personal effort to work with a Sister

Chapter or fellow Member who has the access to the technology utilized to distribute and disburse information and training materials.

- 4.5 Department agrees to prepare and file all required registration statements and filings with the appropriate State Agency in the state of Department's incorporation, to maintain its status as an affiliated entity under National's IRC group exemption, it may not participate in or contribute to any political campaign, nor may it engage in any activities that either support or oppose a candidate for public office. Furthermore, Department agrees not to apply for its own IRC determination letter from the I.R.S., but rather will use the National Group Exemption Number.
- 4.6 Department shall operate on the same fiscal year as National, which currently runs from September 1st to August 31st.
- 4.7 Department shall submit with an annual renewal of this Agreement, Corporation Annual Report, Financial Reports, Annual Membership Reports, Membership dues and renewal dues to National by September 25th of each year. These reports shall contain any changes in Officers and their contact information, as well as information about upcoming programs, including at least the date and location of such programs.
- 4.8 The parties agree that upon dissolution of Department, its assets, after settlement of all Department liabilities, shall be transferred to National and the final and necessary tax paperwork (990) is filed with the I.R.S., closing out the Department

5. Agreements by Chapter

- 5.1 Chapter agrees to promote the Corporation's mission within its area.
- 5.2 Chapter agrees to comply with the Governing Documents.
- 5.3 Chapter agrees to provide National and Department with current contact information, including a current mailing address for all Chapter correspondence.
- 5.4 Chapter agrees to provide each Member and the Associate Member with a copy of the following: Chapter's Charter and standing rules; if any, Department's Charter and standing rules, if any, the Governing Documents, and all correspondence from the NEB, so that all Members and Associate Members can be informed and be active participants in the organization.

Proposed Alternative – Submitted by Compliance Committee

Section 5 – Sub-Section 5.4 - Agreements by Chapter

- 5.4 Chapter agrees to provide each Member and the Associate Member access to website where the following documents are found: ~~with a copy of the following:~~ Chapter's Charter and standing rules; if any, ~~Department's Charter and standing rules, if any,~~ the Governing Documents, and all correspondence from the NEB, so that all Members and Associate Members can be informed and be active participants in the organization.

(Add words which are underlined and delete words that have lines through them. The remainder of the wording remains unchanged.)

SUBMISSION ACCEPTED: YES___ NO___

Rationale: Obligating a chapter to provide copies is not necessary, when they can access the website.

The Bylaws Committee has no recommendation regarding the new language proposed in Sub-Section 5.4 of Section 5 Agreements by Chapter of the BSMA Affiliation Agreement.

- 5.5 Chapter agrees to prepare and file all required registration statements and filings with the appropriate State Agency in the state in which Chapter is located that are necessary to maintain its status as an affiliated organization under National's IRC group tax-exemption. For some states this is a yearly submission and must be completed as outlined by the Attorney General's Office or other State Agency. In accordance with the Chapter's status as in the IRC tax-exempt organization, it may not participate in or contribute to any political campaign nor may it engage in any activities that either support or oppose a candidate for public office. **[NOTE: SOME CHAPTERS WILL BE GRAND-FATHERED IN AND THIS PROVISION WILL BE REVISED ACCORDINGLY IN THEIR INDIVIDUAL AGREEMENTS.]**

Proposed Alternative – Submitted by Compliance Committee

Section 5 – Sub-Section 5.5 – Agreements by Chapter

- 5.5 Chapter agrees to prepare and file all required registration statements and filings with the appropriate State Agency in the state in which Chapter is located that are necessary to maintain its status as an affiliated organization under National's IRC group tax-exemption. For some states this is a yearly submission and must be completed as outlined by the Attorney General's Office or other State Agency. In accordance with the Chapter's status as in the IRC tax-exempt organization, it may not participate in or contribute to any political campaign nor may it engage in any activities that either support or oppose a candidate for public office. Receipt of such filing to be forwarded to National by October 15th each year. **[NOTE: SOME CHAPTERS WILL BE GRAND-FATHERED IN AND THIS PROVISION WILL BE REVISED ACCORDINGLY IN THEIR INDIVIDUAL AGREEMENTS.]**

(Note: Add underlined sentence to this paragraph.)

SUBMISSION ACCEPTED: YES___ NO___

Other than the recommended addition that where Departments exist that Chapters should send copies of filing receipts to both Departments and to National the Bylaws Committee has no recommendation regarding the adoption of the new language proposed in Sub-section 5.5 of Section 5 of the BSMA Affiliation Agreement.

- 5.6 Chapter shall operate on the same fiscal year as National, which currently runs from September 1st to August 31st unless the Chapter has other I.R.S. documentation to the contrary. *This would only apply to those Chapters that have been grandfathered in with their own IRC designation.*
- 5.7 Chapter shall submit with an annual renewal of this Agreement, Corporation Annual Report, Financial Reports and receipt from the I.R.S. indicating that the chapter has filed the necessary 990 form(s) and/or a copy of the tax extension filed to National by January 15th of each year. These reports shall contain any changes in Officers, as well as information about upcoming programs, including at least the date and location of such programs.

Proposed Alternative – Submitted by Compliance Committee

Section 5 – Sub-Section 5.7 – Agreements by Chapters

Replace 5.7 which currently reads

~~Chapter shall submit with an annual renewal of this Agreement, Corporation Annual Report, Financial Reports and receipt from the I.R.S. indicating that the chapter has filed the necessary 990 form(s) and/or a copy of the tax extension filed to National by January 15th of each year. These reports shall contain any changes in Officers, as well as information about upcoming programs, including at least the date and location of such programs.~~

Replace with proposed 5.7 below

- 5.7 Chapter shall submit:
- Officer Roster
 - Receipt of Accepted filing of 990 to the IRS
 - Receipt of State Charity Registration Filing
 - Annual Report with chapter activities including:
 - A Profit and Loss
 - B. August of current year bank statement
 - C. Reconciliation of August bank statement of current year
 - Chaplain Fund Donation
 - Affiliation Agreement signature page
 - Locate a Chapter for National Website information

SUBMISSION ACCEPTED: YES_____ NO_____

Rationale: Be more specific on the Affiliation Agreements as to what is required each fiscal year

The Bylaws Committee has no recommendation regarding the adoption of new language of proposed in Sub-Section 5.7 of Section 7 of the BSMA Affiliation Agreement.

The Parliamentarians concern is - that if adopted the format of the new Sub-section 5.7 would be totally different from the rest of Section 5.

5.8 Chapter agrees to pay the required Chaplains Emergency Fund Obligation annually by January 15th of each year.

Proposed Alternative – Submitted by Compliance Committee

Section 5 – Sub-Section 5.8 - Agreements by Chapter

~~5.8 Chapter agrees to pay the required Chaplains Emergency Fund obligation annually by January 15th of each year.~~

Replace with new 5.8 below:

5.8 Each Chapter and Department is to send an annual payment of \$25.00 towards the Chaplain Fund. If a Chapter is part of a Department, the payment is to be sent to the Department Financial Secretary to forward to the NEB by October 15th. All payments are due to the NEB by October 15th of each year. The Departments shall keep track of which Chapters have paid. Chapters that are not part of a Department must mail the payment to the current NFS by October 15th of each year.

SUBMISSION ACCEPTED: YES_____ NO_____

The Bylaws Committee has no recommendation regarding the adoption of the new language proposed in Sub-Section 5.8 of Section 5 of the BSMA Affiliation Agreement.

5.9 The parties agree that upon dissolution of the Chapter, its assets, after settlement of all Chapter liabilities, shall be transferred to Department, if such an entity exists. If such an entity does not exist, then all Chapter assets shall be transferred to National. The Chapter must file their final 990 with the I.R.S., closing out the Chapter.

6. Assets and Liabilities

The parties acknowledge and agree that National maintains the responsibility of protecting the Corporation's name, reputation, and the IRC tax-exempt status. Because of this responsibility, National has the right to require an audit of Department or Chapter if the circumstances warrant, as determined by the NP and the NEB. Department and/or Chapter expressly agree to participate in such an audit and to make whatever records are necessary available to National for this purpose. Refusal to submit the requested is grounds for the revocation of the Charter.

7 Intellectual Property

- 7.1 All Corporation Intellectual Property, including the Corporation's Colors, as defined in the Code of Conduct, is and shall remain at all times the sole and exclusive property of the Corporation and all use of such
- 7.2 Intellectual Property shall be overseen by National, in accordance with 36 U.S.C. § 30507 and 33 U.S.C. § 705. Chapter may use the Intellectual Property if, and only if, such use is made pursuant to the terms and conditions of a limited and revocable license and in accordance with the above provisions of the U.S. Code. Any failure by Chapter to comply with the terms and conditions contained in this Section 7, whether willful or negligent, may result in the immediate suspension, or revocation, of the charter of Chapter by National.
- 7.3 Chapter may not alter the official Corporation Colors in any way if Chapter decides to display them or use them in any way.
- 7.4 Intellectual Property must be used by Chapter in a professional manner and solely for official Chapter-related purposes. Chapter shall not permit any third party to use the Intellectual Property without prior written approval from National.
- 7.5 In any authorized use by Chapter of the Intellectual Property, Chapter shall ensure that the applicable trademark and copyright notices are used pursuant to the requirements of the United States law and any other guidelines that National may prescribe.
- 7.6 National reserves the right to request samples of use of the Intellectual Property from which it may determine compliance with these terms and conditions. National also reserves the right to prohibit use of any of the Intellectual Property, as well as to impose other sanctions, if it determines, in its sole discretion, that Chapter's use of the Intellectual Property is not in accordance with the terms and conditions of this limited and revocable license.

8 Renewal Process

- 8.1 Department or Chapter is required to renew this Agreement on an annual basis by submitting the required documentation to National.
- 8.2 Chapter is required to renew this Agreement on an annual basis by submitting the required documentation to National.

8.3 If Department or Chapter fails to submit all required documentation, the actions described in Section 9.5 below shall be taken.

9 Suspension and Revocation of Charter; Disbandment

9.1 The Charter granted by National to Department or Chapter shall remain in full force and effect until all annual renewal paperwork is due, following the date of this Agreement, unless and until revoked or suspended by National or surrendered by Department or Chapter in accordance with the provisions of this Agreement.

9.2 **Suspension.** National, acting through the NEB, may suspend Department or Chapter's Charter if a majority of the NEB, after an investigation, determines that Department or Chapter is not in compliance with this Agreement and the Governing Documents. National agrees to provide Department or Chapter with a Notice of Suspension within fifteen (15) days of the NEB's decision to suspend Department or Chapter. The Notice of Suspension will include a clear description of the actions that Department or Chapter must take to remove the suspension.

9.3 Department or Chapter's Charter shall be suspended if Department or Chapter has not submitted required annual renewal documentation to National by the due date of January 15th.

Alternative – Submitted by Compliance Committee

9.3 Department or Chapter's Charter shall be suspended if Department or Chapter has not submitted required annual renewal documentation to National by the due date of ~~January 15th~~. October 15th.

Note: Replacing January 15th deadline with October 15th deadline.

SUBMISSION ACCEPTED: YES____ NO____

Bylaws Committee Comments: If accepted, will need to check throughout all BSMA governance documents to make sure that submission dates for any and all reports, forms, fees etc. meet the same necessary deadline of January 15th or October 15th or some other date.

The Bylaws Committee has no recommendation regarding the adoption of the new language proposed in Sub-Section 9.3 of Section 9 of the BSMA Affiliation Agreement.

9.4 **Revocation.** National, acting through the NEB, shall have the authority to revoke the charter of Department or Chapter for consistent failure to adhere to this Agreement, just as it had the power to grant such charter. Revocation shall occur after Department or Chapter has been placed on suspension and given reasonable time to remedy the situation and remove the suspension. Any decision by the NEB to revoke Department or Chapter's charter shall be

initiated by sending notice to Chapter specifying the grounds for revocation and giving Department or Chapter a final chance to remedy the situation and shall specify a clear deadline for such remedy. In the event that the NEB determines, in its sole discretion, that Department or Chapter has failed to correct the condition listed in the Notice of Suspension, then the NEB shall notify Department or Chapter in writing within fifteen (15) days of the NEB's decision to revoke the Charter and shall inform Department or Chapter of the effective date of the revocation.

9.5 Disbandment. The procedures for disbanding a Department or Chapter that are contained in the National Bylaws must be followed if Department or Chapter wishes to disband. The Department or Chapter must file with the I.R.S., a final 990, before they are approved to disband.

9.6 Liquidation of Assets. Under the provisions of this Section 9, all Chapters' assets, including the balance of all bank accounts, must be transferred to Department, if such entity exists. If such entity does not exist, then all assets shall be transferred to National. If such assets are not transferred to the applicable governing body within thirty (30) days of the date of the revocation of the Charter or disbandment, a late reminder will be sent to the President of Chapter. If such assets are not transferred to the applicable governing body within sixty (60) days of the revocation or disbandment date, then the National President shall call Chapter's President as a final reminder. If such assets are still not transferred to the applicable governing body within ninety (90) days of the revocation or disbandment date, then the NEB shall take the necessary legal steps to obtain Chapter's assets in compliance with the National Bylaws.

10 Conflict Resolution; Governing Law

10.1 The parties agree that all disputes arising out of, or relating to, the application or interpretation of this Agreement or any provision hereof or any default there under by either party shall be submitted to binding arbitration to be conducted within the State where the current NP resides. The term, "current NP", means the person who is serving as NP when a complaint is submitted for arbitration.

10.2 The parties agree that binding arbitration is a condition precedent to the initiation of any other legal action.

10.3 The law governing this Agreement is the law of the District of Columbia

11 Entire Agreement; Modification

11.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, superseding all prior negotiations, correspondence, understandings and agreements, if any, between the parties. All Governing Documents, including, but not limited to, the Governing Documents, shall be read consistently with this Agreement and to the extent any provisions conflict between and among such Governing Documents and this Agreement, shall control.

11.2 No amendment or modification of this Agreement shall be binding upon the parties unless made in writing and duly executed by all parties.

FOR NATIONAL:

FOR DEPARTMENT, _____, or
FOR CHAPTER, State___ No. ___;

Pat Soler, as National President

, as Chapter President

Judy Dorsey, as National 1st Vice President

, as Chapter 1st Vice President

Cyndi Ventura, as National 2nd Vice President

, as Chapter 2nd Vice President

Teresa Bullock, as National 3rd Vice President

, as Chapter 3rd Vice President

Ginger Novak, as National 4th Vice President

Charilyn Damigo, as National Recording Secretary

, as Chapter Recording Secretary

Kathryn Venable, as National Financial Secretary

, as Chapter Financial Secretary

Anne Parker, as National Treasurer

, as Chapter Treasurer

,as Department President

Date

Date

PLEASE E-MAIL THE SIGNED SIGNATURE PAGE ONLY TO THE:

National Compliance Chair
compliance@bluestarmothers.org