

MODEL CHAPTER BYLAWS

*Those fields highlighted in yellow should be populated with chapter details

**Those fields highlighted in blue cannot be altered

Prepared by:

Organization and Planning Committee

Revised by:

ISM Staff

November 2019

BYLAWS

ARTICLE I NAME AND LOCATION

Section 1. Name. The name of this Chapter shall be the Institute for Supply Management—, Inc., a not-for-profit corporation organized and existing by virtue of the laws of the State of (hereinafter referred to as the "Chapter").

Section 2. Location. The principal office of the Chapter shall be located in , State of or in such other localities as may be determined by the Board of Directors.

ARTICLE II PURPOSES

The Chapter is a not-for-profit corporation organized and operated not for pecuniary profit, but exclusively for educational purposes within the meaning of Section (NOTE: insert either 501 (c)6 or 501 (c)3) of the Internal Revenue Code (hereinafter referred to as the "Code") and in this connection, the purposes for which the Chapter shall be organized and operated are as follows:

- a) To foster and promote interchange of ideas and cooperation among its members.
- b) To promote the study, development and application of supply management, including improved procurement or purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as "the supply management profession").
- c) To be affiliated with Institute for Supply Management®, Inc. ("ISM")
- d) To sponsor, promote and encourage a professional certification program for persons engaged in the supply management profession.
- e) To encourage and cooperate in the institution and development of educational opportunities on the subject of supply management and all matters related thereto.
- f) To strive by all lawful means to promote and enhance the supply management profession.
- g) To do any other act or thing incidental to or connected with the foregoing purposes of in advancement thereof and not for the pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by the laws of the state of .

In the accomplishment of these purposes, it shall be the policy of the Chapter to comply at all times with all existing and future laws, including the antitrust laws and in

furtherance of this policy, no activity or program shall be sponsored or conducted by or within the Chapter which in any manner whatsoever shall represent or be deemed a violation of any existing or future law, including the antitrust laws, all in accordance with the *ISM Statement of Antitrust Policy and Guide for Antitrust Compliance*, as amended from time to time by the Board of Directors of ISM.

ARTICLE III AFFILIATION WITH ISM

SECTION 1. General. The Chapter shall be affiliated with ISM in accordance with the procedures set forth in the ISM Bylaws and Chapter Affiliation Agreement. Chapter shall comply at all times with ISM policy as it may be adopted from time to time by the ISM Board of Directors and the provisions of this Article.

SECTION 2. Conditions of Affiliation. The Chapter shall be obligated as a condition of affiliation with ISM to comply with the Chapter Affiliation Agreement, including but not limited to, the following:

- (a) To be incorporated as a not-for-profit corporation in accordance with the laws of the State of [REDACTED] and to be validly existing and in good standing during the period of its affiliation with ISM.
- (b) To cause these Bylaws to conform at all times with the ISM Bylaws and ISM Policy, including without limitation, the provisions hereof with respect to the purposes of the Chapter and eligibility for membership.
- (c) Chapter shall provide its membership with the opportunity to earn no less than eight (8) continuing education hours annually, as part of the member benefits derived from the chapter dues.
- (d) To comply at all times with ISM Policy as it may be adopted from time to time by the ISM Board of Directors including without limitation, the *ISM Statement of Antitrust Policy and Guide for Antitrust Compliance*.
- (e) To obtain prior written approval of ISM with respect to any proposed amendments to these Bylaws.

SECTION 3. Suspension or Termination of Affiliation. The affiliation with ISM of the Chapter may be suspended or terminated as set forth in section 7, of the executed Chapter Affiliation Agreement.

Any suspended or terminated Chapter may be reinstated by the Board at any time subsequent to such suspension or termination upon a review thereof by ISM and proper showing of good cause to justify a reinstatement of affiliation with ISM.

ARTICLE IV MEMBERSHIP

SECTION 1. Members. Any person interested in the supply management field shall be eligible to be a Member provided such person is a member of a Chapter unless as permitted in Policy.

SECTION 2. Expulsion of Members. Members may not be terminated except for nonpayment of dues, failure to meet the eligibility requirements for a member, or as may be set forth in Policy.

ISM shall have the exclusive right to admit, terminate or reinstate a Member who is not a member of a Chapter and Chapters shall have the right to deny and/or terminate a Member who is a member of a Chapter, however, in all cases such actions shall be in accordance with Policy enacted to assure fairness and appropriate review of any denial or termination of a Member. All ISM members prior to the Effective Date shall, pursuant to Policy, be a Member on the Effective Date.

Expulsion for any reason other than nonpayment of dues shall occur only after the member has been advised of the proposed expulsion and the reasons therefore and has been given an opportunity to submit proof in support of continued membership in the Chapter. A member expelled from membership in the Chapter shall be given written notice of such expulsion and shall be advised in writing that he or she may appeal the action taken by the Chapter to ISM by filing a notice of intent to appeal to ISM.

Upon receipt of a timely filed notice of appeal, ISM shall consider the appeal and shall allow the expelled member the opportunity to submit proof in support of continued membership in the Chapter. The decision of ISM concerning expulsion of a member shall be final and binding.

SECTION 3. Reinstatement. A former member of the Chapter, whether a resigned or expelled member desiring reinstatement of membership, may be reinstated as a member of the Chapter upon showing proof of eligibility and paying all current year's dues.

SECTION 4. Resignation. Any member of the Chapter may resign by filing a written resignation with the Chapter, but such resignation shall not release the member so resigning of the obligation to pay any dues or other charges theretofore accrued but unpaid.

SECTION 5. Transfer of Membership. Membership in the Association shall be vested in the individual member of the Chapter; however, membership may be transferred pursuant to the ISM Policy Manual.

ARTICLE V CHAPTER DUES

SECTION 1. Amount. The amount of annual dues for members shall be determined from, time to time, by the Chapter board and a vote of the members of the Chapter. Annual dues for members of the Chapter shall include an amount equal to the annual dues in effect from time to time for membership in ISM.

SECTION 2. Payment. Member dues are assessed on the anniversary date and collected by ISM.

SECTION 3. Non-payment of Dues. A member of the Chapter whose dues are not paid by the existing expiration date, may be expelled from membership in the Chapter and ISM. A member expelled from membership for nonpayment of dues may be reinstated upon full payment of all dues.

ARTICLE VII BOARD OF DIRECTORS

SECTION 1. Authority and Responsibility. The governing body of the Chapter shall be the Board of Directors. The Board of Directors shall have general charge, management and control of the affairs, funds and properties of the Chapter and, subject to the provisions of these Bylaws and any contrary statement of policy enacted by vote of the members of the Chapter, shall have authority to take such action in matters of policy and procedure as, in its judgment, will best promote the interests and welfare of the Chapter, including authority to promulgate, amend or rescind in whole or in part all statements of Chapter policy as they may exist from time to time.

SECTION 2. Membership. The Board of Directors must, at all times during their board service, be current active members and in good standing in both ISM and the Chapter.

SECTION 3. Election. The Directors shall be elected by the members of the Chapter at their annual meeting in accordance with Article VIII hereof.

SECTION 4. Term of Office. Directors shall be elected for a term of one (1) year, not to exceed eight (8) consecutive years, unless the member joined the board to fill a vacancy, in which case such director may service a maximum of ten (10) consecutive years on the board. **(NOTE: chapters may choose to have staggered terms.)**

SECTION 5. Vacancies. Mid-term vacancies occurring in any office shall be filled for the unexpired term through appointment by the President, with the approval of the Board of Directors, until the vacancy can be filled at the next election.

In the event of a vacancy in the office of President resulting from death, resignation, disqualification or permanent inability to serve, **(NOTE: Choose Option 1 or Option 2)** the Board of Directors shall promptly elect a successor from its own number for the remainder of the term. **(Option 1)** or the position will be filled through succession as listed in Section 2 above. **(Option 2)**

SECTION 6. Meetings. There will be at least [REDACTED] regular meetings per calendar year. Special meetings as well as regular meetings will be announced at least one week prior to the meeting. Notification will be either in writing or by phone if necessary. Special meetings may be called upon the written request of [REDACTED] members.

SECTION 7. Authority to Act Without a Meeting. No action will be taken without a meeting.

SECTION 8. Board Action by Conference Call. Any one or more members of the Board of Directors or of any committee thereof, may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar equipment which enable all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

SECTION 9. Quorum and Voting. A simple majority of the Board of Directors is required for a quorum and for any official vote.

SECTION 10. Executive Committee. The Board of Directors may, if it so desires, elect from among its members an Executive Committee of [REDACTED] or more members; such Executive Committee shall act under the direction of and all its acts shall be subject to review by, the Board of Directors.

ARTICLE VIII OFFICERS

SECTION 1. Officers. The officers of the Chapter shall be the President, First Vice President, Secretary, and Treasurer. All officers of the Chapter must be employed in the supply management field. Retired practitioners (within three years) and academics may be considered for officer positions. **(NOTE: constitution of Officers may vary depending on the needs of the chapter.)**

SECTION 2. Election. The officers shall be elected by the members of the chapters in attendance at their annual meeting held in accordance with Article IX hereof. Chapter shall submit, to ISM Global, the names of outgoing and incoming board members and officers no later than 30 days after election.

SECTION 3. Duties of President. The President shall be Chief Executive Officer and Chairman of the Board of Directors and shall exercise general supervision over the executive affairs of the Chapter. He or she shall preside at all meetings of the Chapter membership and of the Board of Directors and shall be a member, ex-officio, of all Chapter committees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these Bylaws and which may be assigned by the Board of Directors.

SECTION 4. Duties of Vice-President. The Vice President shall perform such duties as may be assigned from time to time by the President and the Board of Directors of the Chapter. In the event of the temporary inability of the President to perform the duties of his or her office resulting from illness, absence or any other cause,

the Vice President shall perform all the duties of the office of President until such time as the incumbent is able to resume the duties of the office.

SECTION 5. Duties of Secretary. The Secretary shall be responsible for the preparation of all minutes of meetings of the Board of Directors and members of the Chapter; the maintenance and safekeeping of all corporate and membership records of the Chapter; and the serving or publication of all notices required by law or these Bylaws concerning any meeting or any other matter applicable to the Chapter; and shall perform such other duties as may be assigned from time to time by the President and Board of Directors of the Chapter or which may be required by law.

SECTION 6. Duties of Treasurer. The Treasurer shall have the custody of all Chapter funds and securities; shall maintain a full and accurate account of all receipts and disbursements in books belonging to the Chapter; shall deposit all Chapter funds in the name and to the credit of the Chapter in such depositories as may be designated by the Board of Directors of the Chapter; shall disburse the funds of the Chapter by check countersigned by either the President or Vice President in accordance with instructions furnished by the Board of Directors of the Chapter; shall render to the Board of Directors and members of the Chapter upon request, but at least annually, an account of all his or her transactions and of the financial condition of the Chapter; and shall perform such other duties as may be assigned from time to time by the President and the Board of Directors of the Chapter or which may be required by law.

SECTION 7. Term Limits. President and Vice President officers are limited to a term of not more than four (4) consecutive years and may not service more than an aggregate of eight (8) years in the positions of President and Vice President in any ten (10) consecutive year period.

ARTICLE IX MEETINGS OF THE CHAPTER MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of the Chapter membership shall be held in [REDACTED] of each year at such place and on such date as may be determined by the Board of Directors of the Chapter. Written notice thereof shall be given to all members at least [REDACTED] ([REDACTED]) days prior thereto.

SECTION 2. Special Meetings. Special meetings of the Chapter membership may be called by the Board of Directors or the members of the Chapter in accordance with the provisions set forth in the Non-Profit Corporation Act of the State of [REDACTED].

SECTION 3. Quorum. At all annual or special meetings of the Chapter membership a quorum shall be the presence at such meeting of at least [REDACTED] percent ([REDACTED] %) of the total membership of the Chapter.

SECTION 4. Voting. On all questions or issues presented for a vote at the annual meeting or any special meeting of the Chapter membership, each member whose dues are paid shall be entitled to cast one vote. Except as otherwise required by these Bylaws, all questions or issues presented to a vote of the Chapter membership shall be authorized by a simple majority of the votes cast at an annual or special meeting of the Chapter membership entitled to vote thereon (provided that the

affirmative votes cast in favor of any such action shall be at least equal to the quorum required by Section 3 of this Article).

SECTION 5. Order of Business. At any meeting of the Chapter membership, the order of business shall be as stated on the agenda for the meeting furnished with the notice of such meeting required by this Article.

SECTION 6. Parliamentary Rules. At all meetings of the Chapter, including the Board of Directors, Robert's Rules of Order will prevail when not in conflict with these Bylaws.

ARTICLE X COMMITTEES

SECTION 1. Standing Committees. The following standing committees shall be established within the Chapter: **(NOTE: these specific committees are optional.)**

- (a) Marketing/Membership Committee
- (b) Education/Professional Development Committee
- (c) Communication/Public Relations Committee
- (d) Nominating Committee
- (e) Administration Committee

The Board of Directors of the Chapter shall authorize from time to time additional committee(s) as Standing Committee(s) whenever in the sole judgment such action is deemed necessary.

SECTION 2. Special Committees. The President, with the approval of the Board of Directors of the Chapter, shall appoint such other special committees, subcommittees or task forces as may be deemed necessary and which are not in conflict with other provisions of these Bylaws. The duties of any such special committee shall be prescribed by the Board of Directors upon their appointment.

SECTION 3. Nominating Committee. A committee of at least _____ members shall be appointed by the Board of Directors at least _____ (____) days prior to the annual meeting in _____ of each year. Not more than _____ (____) member(s) of this committee shall be a member of the Board of Directors. This committee shall present a proposed slate of candidates for all officers to the membership at the _____ meeting. The committee shall also be responsible for conducting the election procedures.

The names of consenting nominees for the various offices shall be announced at the regular meeting preceding the Annual Meeting by the Chairman of the Nominating committee. He or she shall file a list of the nominees, certified by the Committee, with the Secretary immediately after such announcement. Any _____ (____) or more members acting jointly, may present to the Secretary not later than _____ (____) days prior to the Annual Meeting, the names of any candidates whom they wish to nominate and the respective offices for which they are nominated. The Secretary shall announce such nomination(s) prior to the election.

ARTICLE XI FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Chapter shall begin on [REDACTED] of each year and terminate on [REDACTED] the same or following year.

SECTION 2. Appropriations. Appropriation of funds from the Chapter will be made only by the Board of Directors. It shall not contract indebtedness in excess of available funds in the treasury not otherwise required or previously appropriated.

(NOTE: *alternate* Section 2 follows, choose one option or the other:)

SECTION 2. Appropriations. Funds appropriated in the annual budget shall be allocated to each funded activity. "Funded activities" are defined as those elements of the annual budget for which there are anticipated expenses during the fiscal year such as meetings, workshops, office expenses, officers' and directors' expenses and committee expenses. During the appropriation year, it shall be necessary for each funded activity to receive Board of Director's approval if it should become necessary to exceed its allocated amount in the annual budget.

ARTICLE XII DISSOLUTION

SECTION 1. Dissolution. The Chapter may be dissolved upon adoption of a plan of dissolution and distribution of assets adopted by the Board of Directors and approved by the members of the Chapter in accordance with the Non-Profit Corporation Act of the State of [REDACTED], as amended from time to time.

SECTION 2. Dedication of Funds. Upon dissolution, not less than 50% of remaining chapter assets shall be donated to ISM to further the ISM purpose. The remaining assets of the Chapter must be donated to a nonprofit organization, including ISM, to further one or more aspects of the tax-exempt missions of ISM with the approval of the Chapter Board and ISM. This donation may be made to ISM for specific purposes.

ARTICLE XIV INDEMNIFICATION

SECTION 1. Litigation. This Chapter shall indemnify any director or officer, made or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of any other Corporation of any type or kind, domestic or foreign or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of this Chapter served in any capacity at the request of this Chapter, by reason of the fact that he or she, his or her testator or intestate, was a director or officer of this Chapter or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding or any appeal therein; provided, however, that no indemnification shall be made to or on behalf of any director or officer if a judgment or adjudication adverse to the director or officer establishes that his or her act was committed in bad

faith or the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage in which he or she is not legally entitled.

SECTION 2. Authorization. Any indemnification made pursuant to Section 1 of Article XIV hereof, shall be made by this Chapter; if authorized in one of the following ways:

- (a) By the Board acting by a quorum consisting of directors who are not parties to such action or proceeding upon a finding that the director or officer has not violated the standard of conduct as set forth in Section 1 of Article XIV hereof;
or
- (b) If a quorum under subparagraph (a) above is not obtainable or even if obtainable, a quorum of disinterested directors so directs:
 - (1) by the Board upon the opinion in writing of independent legal counsel that indemnification is proper under the circumstances because the standard of conduct set forth in Section 1 of Article XIV has not been violated by such director or officer or
 - (2) by the members upon a finding that the director or officer has not violated the standard of conduct set forth in Section 1 of Article XIV.

SECTION 3. Expenses Incurred. The Chapter shall pay expenses incurred in defending a civil or criminal action or proceeding in advance of final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amounts as and to the extent, the person receiving such advancement or allowance is ultimately found, not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by this Chapter exceed the indemnification to which he or she is entitled. If any action with respect to indemnification of directors and officers is taken, then this Chapter shall, not later than the next Annual Meeting, unless such meeting is held within three (3) months from the date of such action and, in any event within fifteen (15) months from the date of such action, mail to its members of record at the time entitled to vote for the election of directors a statement specifying the action taken.

SECTION 4. Personal Liability. The directors of this incorporated Chapter shall not be personally liable to the Chapter or its members for damages for any breach of duty in his or her capacity as such: provided, however, that this provision shall not limit or eliminate the liability of any director if a judgment or other final adjudication adverse to him or her establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled or that his or her acts violated Section 719 of the Not-For-Profit Corporation Law (**NOTE: or appropriate section of applicable law in your state**) or for any act or omission which occurred prior to the adoption of this provision.

**ARTICLE XV
AMENDMENTS**

These Bylaws may be amended only by a vote of [redacted] percent ([redacted]%) of the members present and voting as set forth in Section 4 of Article IX, such amendment(s) having been proposed in writing and read at the previous regular meeting.

End of Document