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## AFFILIATION CHARTER BETWEEN NVSBC AND LOCAL CHAPTERS

This charter is made this [redacted] day of [redacted] 20[redacted], by and between NVSBC, the professional association for veteran and service disabled veteran owned small businesses servicing the federal government (“NVSBC”) and the [redacted] chapter of NVSBC (“the chapter”).

This charter is an agreement between NVSBC and its members where members want to affiliate locally as a geographically defined special interest group to pursue more effectively the mission and goals of NVSBC. The charter formalizes the relationship between the national NVSBC organization and the group of local members:

**The professional association for veteran and service disabled veteran small businesses servicing the federal government**

- NVSBC wishes to grant to a group of members a charter pursuant to which NVSBC and the members shall become affiliated at a local chapter.
- NVSBC wishes to offer the chapter the opportunity to be included in its group as a 501(c)(6) subordinate organization.
- NVSBC and the chapter wish to set forth their mutual understandings and agreements pertaining to the grant of the charter and the mutual rights and responsibilities created thereby.

Therefore, NVSBC and the chapter agree as follows:

### 1. Criteria for affiliation

A group of NVSBC members may apply for local chapter status when they meet minimum criteria currently in effect, by action of the national board of NVSBC. The national board of NVSBC shall be the sole authority in determining whether a group meets the necessary criteria. The national board will develop the criteria in consultation with currently recognized chapter presidents.

### 2. Rights of the chapter

The chapter shall have the right to utilize the name “NVSBC,” in the name of the chapter, to acknowledge affiliation with NVSBC; use NVSBC’s group authority with the IRS to organize the chapter as a 501(c)(6) corporation; and to receive all other benefits bestowed by NVSBC upon its affiliated chapters.

### 3. Relationship

NVSBC and the chapter are jointly incorporated and governed; yet they are discrete institutions whose relationship is described and limited by this agreement. NVSBC and the chapter are not and shall not be considered joint

ventures, partners, legal representatives or agents of each other. At no time shall either party act or represent itself to be acting in any of these capacities except by separate written agreement. Neither NVSBC nor the chapter shall have the right or power to bind or obligate the other party in any manner and shall not make, or represent that it has the power to make, any contract, agreement, representation, warranty or obligation, express or implied, on behalf of the other party unless a specific authority is delegated in writing from one to the other. Neither NVSBC nor the chapter shall be liable for any act, error, omission, debt or other liability or obligation of the other party.

#### **4. Bylaws**

The chapter shall abide by and promote the purposes and objectives of NVSBC as set forth in the most current version of the NVSBC mission, goals and bylaws. The chapter shall adopt its own bylaws for its operations provided that these bylaws are not contrary to or inconsistent with the NVSBC bylaws or this charter. The chapter shall submit all bylaw amendments to NVSBC for review and comment to allow for informed compliance with this provision.

#### **5. Membership**

Members must join NVSBC in order to become members of the chapter. The chapter shall admit only members of NVSBC. Although non-members may attend NVSBC events, fees associated with these events must be higher than for NVSBC members.

#### **6. Dues**

Chapter members must pay dues to the national NVSBC before joining a chapter. The chapter may set chapter dues levels independent of the national dues structure, and not more than 50% of the national dues. The chapter may determine fees for events and services as long as NVSBC members' dues are less than non-member participants. NVSBC may provide subventions to chapters that meet specific criteria adopted by NVSBC's Board of Directors. The subventions will be determined by the number and type of members affiliated with a chapter.

#### **7. Annual report**

The chapter is required to submit an annual report on the state of the chapter by January 15 each year. The NVSBC operates on a fiscal year spanning January 1 through December 31. Annual reports, spanning the previous 12 months, must include listings of continuing and newly elected chapter directors and officers. Annual reports should contain, at a minimum, the following:

- Accomplishments, not Activities – state clearly the mission and relate accomplishments back to the mission throughout the report. Illustrate membership value.
- Real people telling the story – Include tangible examples of how the organization has benefitted members throughout the year.
- The financials – Explain where revenue comes from and how it was spent. Provide details about how your chapter performed against its

budget. Also provide financial statements (income statement and balance sheets). Explain the meaning behind your numbers.

- Ample Thanks – Recognize volunteers, partners, and sponsors by describing their work and acknowledge the individuals whose achievements have benefitted the membership.
- A call to action – what message(s) or action(s) is your chapter using to ask your members to promote the VOSB and SDVOSB in federal contracting.
- Chapter Meetings Minutes
- List of members and current officers

#### **8. IRS Form 990**

Within five months and fifteen days of the end of the chapter's fiscal year, the chapter is required to submit a copy of the IRS Form 990 for the most recent fiscal year for which it was filed (if gross revenues exceeded \$200,000 in that fiscal year); or IRS Form 990-EZ if the chapter's gross revenues exceeded \$50,000 but were less than \$20,000 in the most recent completed fiscal year; or IRS Form 990-N if the chapter's gross revenues were less than \$50,000 in the most recent completed fiscal year.

#### **9. Financial records and identity**

The chapter shall maintain its own bank account(s) as an NVSBC chapter and endorse checks accordingly (e.g., "NVSBC name of chapter"). The Chapter bank account (which the Treasurer of the national NVSBC BOD has access to and the authority to freeze) will be used to manage local chapter funds and events. The bank signature cards should bear the names of at least two (2) chapter officers and the NVSBC BOD Treasurer. The chapter's federal tax ID number should be used on all bank accounts. The chapter must provide banking account information to the national NVSBC office. The chapter shall obtain its own federal employer identification number and register as a 501(c)(6) corporation in the state in which it operates.

#### **10. Financial Reporting**

A process should be established by each chapter that results in a systematic and comprehensive recording of all financial transactions. Financial reporting shall be performed as directed by the NVSBC's Executive Director or Treasurer from the Board of Directors.

#### **11. Use of the NVSBC name**

The use of the name "NVSBC" by the chapter must include the name of the chapter so as not to confuse communications from the national NVSBC organization with those of the chapter. The chapter's authority to use the NVSBC logo or the name "NVSBC" is governed by this charter and may be terminated by NVSBC in accordance with the provisions of this charter. The trademark registration for "NVSBC," "the professional association for veteran and service disabled veteran owned small businesses servicing the federal government" and the logotype of NVSBC are all held by the national board of directors and control over the use of these trademarks will be enforced by the

national board. Chapter or national permission for sponsors to publicize an affinity with NVSBC or use of the NVSBC name is governed by national sponsorship guidelines and identity guidelines.

### **12. Format of the chapter name**

The distinction between the chapter (and its officers and activities) and NVSBC, especially in communications with the general public, must be maintained. Communication by the chapter and the chapter officers or members, in correspondence, advertising or other promotional material, must always identify the chapter by name. Chapter identification can occur in a formal form (“NVSBC, Washington DC metro Chapter”) and an informal form (“NVSBC DC”).

### **13. Use of membership list**

The membership list (the electronic or printed version of the list of NVSBC members) is the exclusive property of NVSBC. No chapter may rent, sell or trade the membership list, or use it for any purposes other than promoting NVSBC related events or communicating with its members, except as permitted in NVSBC’s sponsorship guidelines.

### **14. Sponsorship**

Sponsorship relationships entered into by chapters for local and regional events will respect the guidelines for sponsorship are being developed and will be published in the NVSBC sponsorship resource guide. While pricing and local benefits may vary from the guidelines based on local conditions, use of the NVSBC name and identity and any use of membership lists must be consistent with the guidelines.

### **15. Insurance**

National NVSBC shall procure directors and officers (D&O) liability insurance coverage for each approved Chapter for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.

### **16. Preservation of Records**

Each Chapter shall keep at its permanent address complete and accurate originals and copies of its books and records regarding the status of the business, membership, and financial condition of the Chapter including, without limitation,

- Chapter Formation Petition,
- Performance Requirements for Chapters,
- Affiliation Charter between NVSBC and local chapters,
- EIN documents
- Approved Chapter By-laws,
- minutes of all Chapter board meetings,
- past and current membership rosters,
- financial records and reports,

- IRS Form 990's,
- Annual Reports, and
- Commercial agreements such as leases or vendor services agreements.

At times other than the Annual Reporting required in Section 7 above, such books and records shall be available for examination by (or copies provided to) the Executive Director or any member of the NVSBC National Board upon written request.

### **17. Revocation of chapter status**

The National Board of Directors reserves the power to revoke the charter of any local Chapter if any of the following occurs:

- i. Violation of local, state, or federal laws.
- ii. Failure to follow the Chapter organizational requirements in this affiliation charter.
- iii. Failure to follow or violation of any provision of NVSBC's bylaws.
- iv. Failure to maintain a membership of at least ten (10) Members.
- v. Failure to maintain a board of directors.
- vi. Conducting financial transactions or any activities which jeopardize the tax exempt status or losing their tax identification status from the IRS.
- vii. Conducting activities which bring discredit to the name of the NVSBC.
- viii. Engaging in conduct that the National NVSBC determines is inconsistent with the organization.

National will send a letter to the President of the local Chapter's Board with the revocation decision and the circumstances leading up to that decision. The local Chapter will have the right to appeal the revocation decision to the National Board of Directors within thirty (30) days of the revocation decision having been made by the national Board of Directors. A vote of not less than two-thirds (2/3) of the national Board of Directors will be needed to rescind the revocation decision. The national NVSBC will notify the IRS that the chapter has been dissolved.

### **18. Termination**

Either party may terminate this charter on 30 days written notice. In the event of breach by a party, the other may terminate immediately by written notice. Upon termination by either party for any reason, the chapter shall cease utilizing the name "NVSBC" and "National Veteran Small Business Coalition," both of which are owned completely and exclusively by NVSBC, and may no longer claim any affiliation with NVSBC. Chapter members will remain NVSBC members regardless of this termination unless they allow their NVSBC membership to lapse at the next anniversary of their membership date. Furthermore, all chapter funds shall be transferred to NVSBC.

**19. Amendment**

Either party may initiate amendments to this agreement, which the other party must respond to within 90 days, either through executing an amended agreement or rejecting with an explanation of the reasons for rejecting.

**Signatures**

I agree to the terms on behalf of the [redacted] chapter of the NVSBC and certify that the chapter is:

- Affiliated with the NVSBC, as defined by the terms of this agreement
- Subject to the general supervision and control of NVSBC
- Not a private foundation or a foreign organization
- Eligible to qualify for exemption under section 501(c)(6) of IRS regulations
- Current in its submission of its IRS Form 990, 990-EZ, or 990-N for the last fiscal year

Further, I

- Authorize NVSBC to include the chapter in NVSBC’s group exemption letter
- Certify that the data contained in the IRS Form 990, 990-EZ, or 990-N are accurate and complete
- Certify that the chapter’s governance documents are current and complete

[redacted] By: [redacted], President  
*Date* *Signature*

For NVSBC, the professional association for VOSB and SDVOSB servicing the federal government

[redacted] By: [redacted], Executive Director  
*Date* *Signature*