**IABC Chapter Centralization Process Document**

**About this document:** The purpose of this document is to provide an overview of the process to centrally manage their chapter financials. The first part of this document provides an executive summary of the opportunities around moving to a centralized financial model. The second part of the document discusses the materials and process needed to move to the central model. There is a check list and process outline dependent on whether your chapter is incorporated or not.

**Overview**

Over the 2020 – 2022 fiscal years, IABC experienced a period of accelerated change due to the pandemic and economic conditions. A number of US chapters in particular struggled to fully function during the pandemic – and some chapters’ struggles pre-dated the pandemic. The International Executive Board (IEB) has decided to confront waning membership and engagement in those chapters that are not meeting the criteria necessary to be considered “in good standing.” Three discrete categories for US chapters based on the criteria within the vitality report were identified: *dormant*, *struggling or not meeting all chapter vitality requirements*, and *in good standing.* Below you will see a series of actions outlined to support those in the struggling and in good standing categories.

The need for these immediate actions should not pre-empt the work of the Organizational Design Taskforce but help complement future actions taken at their recommendation(s).

**Overall Opportunities & Benefits**

All chapters that are not considered dormant have the option to centrally manage financials through the international organization. With financial and administrative functions centrally managed through International, chapters can take advantage of the following benefits and opportunities:

* Unburden volunteer leaders from most of the financial administrative workload to increase further activities that advance IABC’s mission, build relationships, and focus on programmatic activities at the region and chapter levels.
* Increase purchasing power through economies of scale in providing enterprise access to Zoom, web hosting, and digital/email marketing platform.
* Reduction in administrative costs for chapters and regions.
* Gain access, as chapters and regions, to International’s accounts payable system (Concur) to submit payment requests and reimbursements. The use of Concur will be free to all chapters that utilize a centralized model.
* Experience streamlined financial reporting and forecasting. Each chapter and region will receive a monthly statement of activities and will be part of the forecasting process.
* Chapters and regions will be part of the annual audit process.
* Remove obligations for 990 gap filings.
* Provide the ability to collectively be in compliance with state and local requirements.

With a reduction in administrative burdens, it provides a way to offer members more modernized volunteer opportunities (EX micro-volunteering).

**Chapter Transition Materials Checklist**

**The chapter below are incorporated locally:**

* **IABC Chicago**
* **IABC Saint Louis (revoked 2018)**

If your chapter is incorporated, they will need to gather the following materials and send them to**leader\_centre@iabc.com****.**

**Check list of materials needed to share with HQ:**

* Articles of Incorporation Copy & Status (if applicable)
* Current Bylaws
* List of Active Board Members
* List of Signatory(s) + Contact Information
* Bank Account Information
* List of Subscriptions & Vendors Used
* List of any Liabilities and Assets
* Current Year Approved Budget
* Copy of Board Minutes Approving Centralizing

**Incorporated Chapter Transition Process Details**

**Process for incorporated chapters moving chapter finances to centrally managed model:**

**Process Milestone Details:**

DISSOLUTION OF CHAPTER ENTITY:

* Your chapter must vote to dissolve your chapter as a standalone business entity.
	+ Example vote: “Motion to move to centrally manage financials through IABC HQ and dissolve XXXX chapter as a business entity”

COMPLETION OF CHAPTER CHECKLIST and MATERIALS FROM CHECKLIST SENT TO HQ:

* Please see materials listed above

SIGN MEMORANDUM OF UNDERSTANDING

* See Memorandum of Understanding between IABC HQ and Chapter in appendix below

IABC HQ SUBMITS FILING FOR DISSOLUTION WINTHIN STATE OF INCORPORATION

* IABC HQ staff will prepare the dissolution documents and then will share them with the chapter.

DEVELOP PLAN WITH IABC HQ TO TRANSFER FUNDS

* IABC HQ will utilize the information provided from the chapter materials checklist to begin the transition
* The chapter will receive banking information from IABC HQ to request that funds get transferred
* At the board meeting following the transfer of funds, the board will then vote designate your chapter’s funds to ensure it is separate from general operating funds.

CADENCE OF FOR FINANCIAL REPORTING

* Daily – Payment/invoice processing
* Monthly – financials shared with chapter leaders with a statement of activities and general ledger report
* Annually – Budgeting and a 6+6 Forecast

**Unincorporated Chapter Transition Process Details**

**Process for unincorporated chapters moving chapter finances to centrally managed model:**

**Process Milestone Details:**

DISSOLUTION OF CHAPTER ENTITY:

* Your chapter must vote to dissolve your chapter as a standalone business entity.
	+ Example vote: “Motion to move to centrally manage financials through IABC HQ and dissolve XXXX chapter as a business entity”

COMPLETION OF CHAPTER CHECKLIST and MATERIALS FROM CHECKLIST SENT TO HQ:

* Please see materials listed above

SIGN MEMORANDUM OF UNDERSTANDING

* See Memorandum of Understanding between IABC HQ and Chapter in appendix below

DEVELOP PLAN WITH IABC HQ TO TRANSFER FUNDS

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CADENCE OF FOR FINANCIAL REPORTING

* Daily – Payment/invoice processing
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* Annually – Budgeting and a 6+6 Forecast

**Appendices**

**Definitions**

Articles of Incorporation Copy & Status

* Nonprofit articles of incorporation is a legal document filed with the secretary of state to create your nonprofit corporation. This process is called incorporating. In some states, the articles of incorporation is called a certificate of incorporation or corporate charter.

Bylaws & Status (i.e., last modified date)

* Bylaws are an organization's internal operating rules. IABC International will need the up to date version along with the date of the last modification.

List of Account Signatory(s)

* A person who is authorised under an Account Authority from the Account Holder to transact on an Account Holder's Account. Account Signatory means in respect of an account, each person or persons who are duly authorised by the Account Owner to operate the account independently.

Bank Account Information

* Routing and account numbers for the Chapter’s bank accounts

List of Subscriptions & Vendors Used

* Services used by the Chapter through the year. This may include bookkeeping, email marketing platform, web hosting, etc.

List of any Liabilities and Assets

* Liabilities refer to things that you owe or have borrowed
* Assets are things that you own or are owed.