



Background on ADHA Charter Agreements

History of Charter Agreements

- ✓ June 2009 - Lang Report
- ✓ Sept 2009 – Board of Trustees (BOT) determined that tripartite structure would be addressed at June 2013 HOD
- ✓ June 2013 – House of Delegates (HOD) discussed and outcomes document prepared
- ✓ March 2014 – BOT recommends revitalizing tripartite structure and develops “guiding principles” for staff to work with legal counsel to develop Charter Agreements
- ✓ March 2015 – BOT adopts Charter Agreements

Guiding Principles Developed by the BOT

- Legally, fiduciary and ethically compliant
- Branding cohesiveness
- States accountable to chartered components
- States & components compliant with agreements
- Component charged to meet criteria to continue to be chartered
- Ensure ongoing compliance
- Visionary perspective on future member needs
- Connection and alignment to strategic plan
- Leading the transformation
- Alignment to member needs & developments in the profession
- Ensure continuity and quality of member service and experience
- Transition strategy that would take place over 1-3 years
- Consideration of resource allocation on national and state level

March 2015 Board of Trustees Adopts the Following Legal Documents

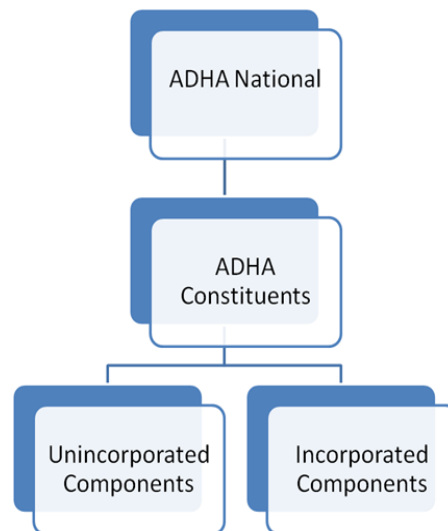
1. Constituent Charter Agreement
 - Constituent Charter Agreement is from ADHA to the Constituents

2. Incorporated Component Charter Agreement

- Incorporated Component Charter Agreement is from the state to the Component. These types of Components meet all legal requirements

3. Unincorporated Component Charter

- Unincorporated Component Charter is for the Constituent to the Component. This is for Components who are unable to meet legal requirements and would fall under the umbrella of the Constituent



BOT Justification

Establish a legal structure designed to protect the organization and its volunteer leaders. These legal documents enable ADHA to:

- Adopt and implement best practices for the ADHA and its constituents and components;
- Protect the ADHA and its volunteer directors and officers from personal liability for constituent/component activities
- Bring uniformity and consistency to the tri-partite structure
- Require constituents and components to operate in accordance with applicable legal and tax requirements;
- Develop and protect the ADHA name and brand
- Protect against misappropriation and misuse of member dues

- Provide 2 models for constituents to structure their components; and
- Help the constituents and components understand and comply with the various laws governing not-for-profit organizations and ADHA's policies

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