“Legal Issues for Chapter Leaders: Maximizing the Benefits, Minimizing the Risks”

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Program Overview

• Corporate Status
• Tax Exempt Status
• Fiduciary Duties
• Managing Boards
• Risk Management
• Chapter Contracts
• Chapter Activities
Corporate Status

• Incorporation Requirements
• Domestic vs. Foreign Corporation
• Registered Agent
• Annual Report
• Corporate Documents
  – Articles of Incorporation
  – Bylaws
  – Policies
Tax Exempt Status

• IRS
  – Exemption from Income Tax for most activities
  – Annual filing of 990, 990N, 990-EZ
  – Ensure activities fit within exempt purpose

• State
  – Filing may be required
  – State or local sales tax exemptions
Fiduciary Duties

Duty of Care
- Diligence
- Judgment
- Informed
- Attendance

Duty of Loyalty/Conflict of Interest
- Disclosure
- Nature of the Interest
- Legal Requirements
- Deprivation/Exploitation of Opportunity

Duty of Obedience
- Follow the mission
- Follow governing documents
- Ensure compliance with laws
Managing Boards

• **Meetings**
  - Agenda
  - Minutes
  - No meetings outside of the meeting

• **Common Board Member Issues**
  - Attendance
  - Conflict of Interest
  - Bad behavior (e.g., unprofessional conduct or language, sexual harassment)

• **Best Practices**
  - “Teachable moment”
  - Discipline/reprimand
  - Removal
Risk Management

• Two Mottos
• Risk Management Techniques
  – Risk Avoidance
  – Risk Transfer – Indemnification
  – Risk Retention – Insurance
• Common Issues
  - Slip and falls
  - Liquor Liability
  - Defamation
Chapter Contracts

- Responsibilities
- Compensation and Expenses
- Termination – Cause or No Cause
- Indemnification
  - Vendor shall indemnify, defend and hold harmless Chapter, its officers, directors, employees and agents, and each of them, from any and all claims, actions, causes of action, demands or liabilities of whatsoever kind and nature including judgments, interest, attorneys' fees, and all other costs, fees, expenses and charges which Chapter, its officers, directors, employees, and agents, and each of them, may incur arising out of the negligence, gross negligence or willful or wanton misconduct of the Vendor, its officers, directors, employees, agents, contractors, or any other person or organization hired by the Vendor. The terms of this provision shall survive the termination or expiration of this Agreement.

- Assignment
- Dispute Resolution
Chapter Activities

• Educational events
  – Copyright Ownership
    • Speakers
    • Authors
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• Photography
  By attending the Conference, you agree that Chapter, its employees, contractors and volunteers, may photograph, videotape or audiotape you during the Conference and related activities. Your photo, video, audio, likeness or image may be used by Chapter for promotional or related purposes with no remuneration to you.

• Social Media
  – Policy
  – Enforcement
What Else is On Your Mind?

Thank you!

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