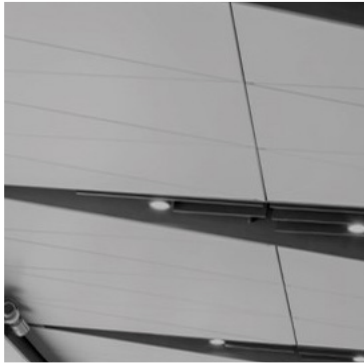


smps[®]

chapter
management
manual



**GOVERNANCE &
STRATEGIC
PLANNING**

2020–21



SMPS MISSION

To advocate for, educate, and connect leaders in the building industry.

SMPS VISION

Business Transformed through Marketing Leadership.

Our vision is for firms to execute marketing principles (research, strategy, branding, communications) to drive business decisions and pursue work that aligns with their brand, which will result in profitable operations and a respected market position.

What does “business transformed” mean?

- Being able to clearly define and communicate what sets your firm apart
- Understanding the important balance between marketing and business development
- Helping our members anticipate and navigate the trends and challenges on the horizon
- Operating your business like it's not business as usual

SMPS DEI PHILOSOPHY & POLICY

SMPS recognizes, respects, and values the dignity of all people. We are united in our stance against all forms of injustice and inequity. SMPS commits to actively champion diversity, equity, and inclusion (DEI) within our organization, the firms we represent, the communities we serve, and the architecture/engineering/construction (A/E/C) industries. We are intentionally working to increase participation in our organization and the A/E/C industries by underrepresented groups; advocate for recruitment and retention of professionals of all backgrounds by creating inclusive and welcoming environments; and promote equality and opportunities for advancement in the Society and industry overall. Together, we can transform our businesses, enhance membership experiences, and influence change in our communities.

We recognize that our diversity is reflected by our different people and firms. We believe our varying ethnicities, cultures, religious beliefs, genders, sexual orientations, ages, levels of experiences, physical abilities, and other differences benefit us as individuals and as an organization. In SMPS, we will organize and promote programs and activities that espouse our beliefs and increase awareness, understanding, recruitment, and participation of diverse persons and firms.

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GOVERNANCE & STRATEGIC PLANNING

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TABLE OF CONTENTS

Organizational Matters & Legal Documents	
Incorporation	1
Bylaws.....	2
Affiliation Agreement	2
Board Policies and Procedures	3
Essential Corporate Documents	3
Other Legal Considerations	
Duties and Conduct of the Board of Directors	3
Fiduciary Responsibility	4
Contracts	4
Anti-Trust Considerations	4
Roles and Responsibilities	6
Strategic Planning	9
Mission and Vision.....	10
SMPS HQ Staff	11

SAMPLES, RESOURCES, AND FORMS

All samples, resources, and forms referenced, may be found in the library of the [MySMPS All Chapter Leaders Community](#).

Samples, resources, documents, and forms in the Governance folder.

- [Bylaws \(Model\)](#)
- [Conflict of Interest Policy \(Sample\)](#)
- [State Government Websites](#)
- [Strategic Planning Toolkit](#)

INTRODUCTION

It is important for **ALL** chapter officers to become familiar with various legal, governance, financial, tax, and insurance issues that pertain to chapter operations. This section of the Chapter Management Manual will provide an introduction to these matters and should be referred to as needed. On occasions when you may need more information about these matters than is provided in this manual, you are encouraged to call SMPS HQ with questions or, in certain situations, you may wish to consult with a local attorney or accountant who is familiar with the laws and procedures in your state.

ORGANIZATIONAL MATTERS & LEGAL DOCUMENTS

At least once each year, ideally at the beginning of the new board's term of office, all officers and directors should review each of the chapter's essential corporate documents, especially the bylaws, so that they become familiar with the rules by which the chapter is required to operate.

Incorporation

Although each chapter is affiliated with SMPS, chapters are independently incorporated, usually in the state in which they operate. For this reason, certain aspects of each chapter's operations are governed by state law, which can differ from state to state. All SMPS chapters are non-profit corporations. The Chapter's corporate status can insulate officers, directors, and members from personal liability for the debts and other obligations of the chapter, except in instances of negligence or fraud. However, to keep this important liability shield in place, the chapter's corporate status with the state must be maintained in good standing at all times (see Annual Report discussion below).

- **Articles of Incorporation.** Articles of Incorporation are the primary organizational document of the chapter. They provide such information as the corporation's name, the purpose(s) for which the corporation is formed, a provision that no part of the assets of the chapter are paid to members, the initial director(s) or registered agent, and the location of the corporation's registered office where legal papers can be served to the corporation if necessary.

Articles of Incorporation may only be amended by filing articles of amendment with your state's Secretary of State, but amendments are rarely necessary unless you wish to change the name of the chapter. Because changes in your articles of incorporation may adversely affect the chapter's tax-exempt status, amendments to this document should be considered only with the advice of qualified legal counsel who is familiar with non-profit corporation laws of your state as well as with federal IRS regulations.

Important

All SMPS chapters are independently incorporated. It is important to check your incorporation status annually with your state's corporation office.

Go to your state government's website or contact SMPS HQ for assistance.

- **Annual Report.** Nearly all states require SMPS chapters to file an annual corporation report and pay a nominal fee to maintain its corporate status. North Carolina and Texas are two states that do not require an annual report (always subject to change), but almost all others have a reporting requirement of some type; in some states, such as Maryland or California, it may be a tax return instead of an annual report. Failure to file these reports or pay the fee for one or more years will lead to revocation of corporate status and it may be difficult, time consuming, and expensive to reinstate your active status. Allowing the chapter's corporate status to lapse jeopardizes corporate protection against personal liability and may have other adverse legal consequences for the chapter and its officers.

IMPORTANT: Check your status at least annually with your state's corporation office, usually a division of the office of the Secretary of State. For more information, go to your state government's website or contact SMPS HQ for assistance.

Bylaws

Your chapter's bylaws are the 2nd most important of the several organizational documents, 1st being your chapter's Articles of Incorporation. Bylaws establish the basic rules and structure of chapter governance and operations and your chapter's board of directors is responsible for operating the chapter in accordance with the bylaws. Your bylaws specify such particulars as number and qualifications of officers and directors, nominating and voting procedures, officers' duties, committee structure and responsibilities, and many other essential details pertaining to the operation of your chapter.

Each chapter must maintain updated and approved bylaws that are consistent with state law and patterned after the SMPS model chapter bylaws. State law can require certain provisions that may or must be included in corporate bylaws, and some of these requirements can differ from state to state. Most provisions of your bylaws are intended to remain flexible and your bylaws may be amended if it becomes desirable to accommodate changing needs of your chapter.

Bylaws can be amended only by a vote of your chapter's members. Any changes to chapter bylaws proposed by your board must be reviewed and approved by SMPS HQ before being submitted to chapter members for a vote. SMPS HQ provides model chapter bylaws to serve as a guide to recommended bylaw provisions, and you are always welcome to contact the HQ staff for advice on how to handle some particular problem you may encounter.

Affiliation Agreement

Another document which helps guide chapter operations is your affiliation agreement with SMPS. This document defines the relationship of the chapter to SMPS HQ and sets forth the rights and responsibilities of each party to the other.

The affiliation agreement includes a listing of the services SMPS HQ agrees to provide to the chapter, such as assistance with educational programming and membership, chapter leadership development, awards programs, communications, assistance with IRS returns, insurance protection, and shared dues payments.

In return, the chapter agrees to conform to standards for the use of the SMPS name and logo, to undertake local membership recruiting and retention, provide regular educational programming, support the SMPS certification program, comply with applicable federal, state, and local laws, and to submit reports on its activities to SMPS HQ.

Board Policies and Procedures

Bylaws should not contain requirements that are expected to change frequently, such as sizes of committees, frequency of board meetings, the budget adoption process, etc. Details such as these are better contained in chapter operating policies and procedures, adopted and changed as needed by the board. Just be careful that policies adopted by the board do not conflict with bylaws provisions. Changes in policies and procedures by the board of directors usually do not require the consent of the membership, although it is a good idea to obtain member comments on any proposed policies that may affect the rights or obligations of members.

Essential Corporate Documents: Safekeeping and Access

Articles of incorporation, the bylaws, the affiliation agreement, and your board policies and procedures are all essential corporate documents and should be maintained accordingly. Copies should be kept by both the secretary and president and passed on to their successors each year. Every member of your board should be given or have access to a copy of the bylaws and to your policies and procedures. Copies of many chapters' articles of incorporation and bylaws are on file at SMPS HQ, but unless your predecessors have been careful to send updated copies each time amendments were made, the copy at SMPS HQ may not be the most recent version.

A great place to archive your documents is in the MySMPS community library for your Board of Directors.

OTHER LEGAL CONSIDERATIONS

Duties and Conduct of the Board of Directors

Officers and directors are legally expected to adhere to certain standards of conduct with respect to the operation of the chapter. The standards are often described as the duty of care, the duty of loyalty, and the duty of obedience.

- **Duty of Care.** The **duty of care** requires the officer or director to participate actively in the direction and oversight of the chapter by regularly attending meetings, by reviewing all available information with respect to decisions to be made by the board, by requesting additional information he or she knows to be required to make a decision, by keeping informed about the plans and activities of the chapter, and to exercise informed judgment, practical experience, and common sense when acting. In short, it is the responsibility of each member of the board to stay informed of information and conditions affecting the affairs of chapter.
- **Duty of Loyalty.** The **duty of loyalty** requires that an officer or director act at all times in good faith and in the best interests of the chapter, subordinating his own interests, and those of his family or business associates, to the interests of the chapter. Should an action come before the board which constitutes a conflict of interest

DUTIES OF OFFICERS AND DIRECTORS

- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience**

in which an officer or director may benefit personally or his family or business associates may benefit, such interest must be fully disclosed to the board. The remaining directors must then agree that the proposed action is fair and reasonable to the chapter and that the terms of any proposed transaction are at least as favorable as the board could have obtained otherwise. A model conflict of interest policy can be found in the Chapter Leaders Library.

- **Duty of Obedience.** The **duty of obedience** requires officers and directors to carry out the purposes of the organization, to act in accordance with its governing documents, and to assure themselves that the organization is complying with applicable laws.

Together these duties form a generally recognized code of conduct to which officers and directors of an organization are expected to adhere. Violation of these duties or failure to perform them may become grounds for removal from office by whatever provisions exist in the chapter's bylaws or in state corporation law.

Fiduciary Responsibility

As elected officials of the corporation, chapter officers and directors also hold fiduciary responsibility. Chapter leadership is ultimately responsible for the financial management of the chapter—the independent small corporation. The membership entrusts the board with the responsibility for the chapter's financial and business status, and the chapter's officers and directors are held responsible for the following actions:

- develop and maintain good business record-keeping systems
- establish financial reporting systems and a means of monitoring financial accountability
- file an annual corporate report with the Secretary of State or other state office that supervises non-profit corporations
- file appropriate tax documents with local, state, and federal taxation authorities
- file financial and educational reports annually with SMPS HQ

Contracts

Chapters should have clear policies concerning who is authorized to sign contracts on behalf of the chapter and the procedures that must be followed before a contract may be signed. The president, secretary, and often the program chair are usually designated as authorized to sign agreements with hotels and other service providers. Most contracts used by chapters will be for events such as meetings, educational programs or social events, and/or fundraising events. These contracts, e.g., with a hotel or resort location, should be reviewed carefully before execution. Changes may be negotiated in order to reduce the chapter's potential liability. You may also enter into contracts with service providers, such as management companies.

Anti-Trust Considerations

Federal and state law prohibit competitors from conspiring to unlawfully restrain competition, e.g., by establishing minimum prices for products or services, by agreeing to allocate customers among the competitors, or by acting to exclude or limit competitors' rights to carry on any aspect of their business.

To avoid potential problems at chapter meetings or at any other assembly of members, including social events:

- do not discuss current or future RFPs, bids, or contracts, or specific client relationships
- do not publicly distribute your charge rates for personnel
- do not make marketing and bidding decisions unilaterally
- do not establish or adopt job/project standards
- do not use codes of conduct to exclude members from participation in chapter meetings or other events. (Only SMPS has the authority to impose sanctions against any member for violations of ethical standards or other undesirable conduct.)

Should you be aware that any of these prohibited topics have begun to be discussed at any meeting or other gathering of members, immediately announce that the discussion is not appropriate for an SMPS event and insist that the discussion be discontinued.

ROLES AND RESPONSIBILITIES

Roles and responsibilities of a chapter’s board vary based on the size and needs of the chapter. However, many roles, regardless of chapter size or unique attributes, have common and essential responsibilities. Listed below are some of the key duties of the board, by title.

President	President-Elect	Past President
<p>The president is the principal officer of the chapter exercising general oversight of its affairs and officers. The president chairs and serves on the executive committee of the chapter.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Plans and chairs all board meetings. ▪ Serves as the chapter’s spokesperson as needed in the community. ▪ Oversees and mentors all board members as they carry out their duties and responsibilities. ▪ Implements chapter’s strategic plan and budget for the new program year. ▪ Works with the treasurer in planning and creating a responsible fiscal budget for the chapter. ▪ Reviews monthly bank statements for the chapter. 	<p>The president-elect stands ready to fill in for the president in their absence. The president-elect assists the president in overseeing the board and serves as an additional resource for all positions and committees. The president-elect also serves on the executive committee of the chapter.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Initiates the process of assembling and electing the board for the next fiscal year. ▪ Attends the SMPS Chapter Presidents’ Leadership Symposium (PLS) each spring. ▪ Initiates planning for upcoming program year. ▪ Supports the president, as needed in overseeing chapter activities. 	<p>The past president remains on the board in a capacity of advisor and to provide continuity to the new board of directors. The past president also serves on the executive committee of the chapter.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Assists the president, as needed, in mentoring board members as they carry out their duties and responsibilities. ▪ Stands ready to fill in for the president and the president-elect in cases when both are unable to attend a function.

Treasurer	Secretary	Education Director
<p>The treasurer is primarily responsible for accurate and timely keeping and reporting of financial activities of the chapter. The treasurer also serves on the executive committee of the chapter.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Maintains knowledge of the organization and personal commitment to its goals and objectives. ▪ Manages the board’s review of and action related to the board’s financial responsibilities. ▪ Ensures that appropriate financial reports are made available to the board on a timely basis. ▪ Presents the annual budget to the board for approval. ▪ Reviews the annual audit and answer board members’ questions about the audit. ▪ Prepares and ensures timely filings of IRS tax forms/ reports. ▪ Prepares and files SMPS HQ’ chapter financial report, due September 30. 	<p>The secretary serves as the recorder for the chapter and ensures minutes are taken, recorded, and distributed at all board and executive committee meetings. The secretary is responsible for the chapter’s bylaws. The secretary also serves on the executive committee of the chapter</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Attends and takes minutes for all chapter board meetings and executive committee meetings. ▪ Distributes meeting minutes to all board members prior to the meeting date. 	<p>The director of education is responsible for planning and organizing educational events of the chapter.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Drafts a budget and conceptual plan of programming initiatives for the upcoming year. ▪ Prepares annual educational report for SMPS HQ due September 30. ▪ Secures location, speakers, food, handouts, audio/visual as needed for each educational event. ▪ Provides CEU documentation at meetings. ▪ Coordinates programs with peer organizations. ▪ Prepares, distributes, and summarizes program evaluations for each educational event. ▪ Prepares program announcements and ensures timely marketing of each event.

Membership Director	Programs Director
<p>The director of membership serves as the contact to SMPS HQ on all issues related to membership and is responsible for the recruitment and retention of SMPS chapter members.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Drafts a budget and conceptual plan of membership initiatives for the upcoming year. ▪ Provides membership information to prospective members. ▪ Coordinates communication with members and prospects. ▪ Conducts new member orientation. ▪ Tracks membership expirations, new members, renewals, drops, through the SMPS Extranet for chapter leaders. ▪ Works with SMPS HQ in efforts of renewals and new memberships. 	<p>The director of programs is charged with the planning and implementation of chapter programs.</p> <ul style="list-style-type: none"> ▪ Attends all board meetings. ▪ Drafts a budget and conceptual plan of programming initiatives for the upcoming year. ▪ Secures or oversees planning for chapter programs which include location, speakers, food, handouts, audio-visual, etc. ▪ Prepares program announcements and ensures timely marketing of each program. ▪ Works closely with the director of education to ensure that local programming and education needs are met.

Remember, the descriptions above are for the “typical” board position. Each chapter should adjust descriptions to best suit the needs of the chapter and its members and ensure that responsibilities are aligned with bylaws of the chapter.

STRATEGIC PLANNING

The strategic planning process can provide an invaluable opportunity for dialogue and consensus among your leaders and volunteers. Defining a shared vision (the organization's future direction) and then planning based on that desired outcome is the essence of strategic planning.

As the popular saying goes, "If you don't know where you're going, you'll probably end up someplace else." A strategic plan outlines the steps to achieve a desired future for an organization. It is comforting for board, and volunteers to have a roadmap to follow. The planning process prioritizes the work to be done. Strategic planning facilitates making short-term decisions based on long-term implications.

Most important, a strategic plan provides a series of agreements about what needs to happen. It is a dynamic document that lends flexibility to the organization so that when change occurs, the plan can be adapted to accommodate the changes.

Planning allows an organization to anticipate change and prepare for it. Planning also helps an organization deal with dramatic changes in its environment. In fact, by anticipating and planning for change, instead of just reacting to it, an organization can determine how to deal with the change.

Strategic planning can be approached in several ways, depending on your chapter's needs and personality. A successful and effective strategic planning meeting should

- build team commitment and establish a shared vision of your preferred future
- forge agreement on the need for changes
- provide direction, purpose, and accountability
- identify the resources required
- renew your team's energy and enthusiasm, and
- ensure everyone is focused on the actions that count.

To achieve all these outcomes, you may want to consider working with an independent facilitator. A good strategic planning facilitator brings structure, an impartial perspective and useful expertise, experience and feedback. Upon request, SMPS HQ is often able to provide facilitation assistance.

For a more detailed outline of strategic planning, please reference the "[Strategic Planning Toolkit](#)" created specifically for chapter leaders. This toolkit is saved in the [MySMPS All Chapter Leaders community library](#).

MISSION AND VISION

Mission Statement. A mission statement answers the most fundamental question: Why does an organization exist? It is short enough to be easily remembered and clear enough to stand alone. All policies, programs, communications, and actions of SMPS chapters should be reviewed for alignment with the SMPS mission.

THE SMPS MISSION

To advocate for, educate, and connect leaders in the building industry.

The task of the chapter president is to try to convert the organization’s mission statement into specifics.

Peter Drucker has stated that there are three “musts” of a successful mission.

- 1. Competence** Look at strength and performance. Do better what you already do well—if it’s the right thing to do. The belief that every association can do everything is just not true.
- 2. Opportunities.** Look outside at the opportunities, the needs. Where can we, with the limited resources we have—and I don’t just mean people and money, but also competence—really make a difference, really set a new standard? One sets a standard by doing something and doing it well. You create a new dimension of performance.
- 3. Commitment.** The next thing you look at is what we really believe in. A mission is not, in that sense, impersonal. You will never see anything being done well unless people were committed.

Vision. BoardSource states: “Through a vision statement, a nonprofit defines its ultimate motivation, its dreams, and its image of a desired future. A vision statement describes the ideal situation if the organization could fulfill its utmost wish.”

THE SMPS VISION

Business Transformed through Marketing Leadership.

The core purpose of the society is to enrich knowledge and advance practices that build business for professional services firms. The core values that guide the behavior of SMPS are Innovation, Integrity, Life-long learning, Relationships, and Service.

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