

# YOUR CHAMBER OF COMMERCE



# **YOUR CHAMBER OF COMMERCE**

**A GUIDE TO STARTING AND GROWING A CHAMBER OF COMMERCE**

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Washington, DC 20062-2000

## FOREWORD

A century ago, only 40 major U.S. cities had a chamber of commerce. Today, there are more than 7,000 chambers, boards of trade, and designated nonprofits advancing the interests of their communities. Political and civic leaders across the country recognize that a chamber creates a stronger, more dynamic community.

Companies are interested in a range of issues, from health care and transportation to education and workforce development. Further, scarce resources are causing politicians, nonprofits, and business leaders to collaborate more than ever. A chamber is uniquely qualified to be the focal point for this collaborative effort and to effect positive change for both businesses and the community.

*Your Chamber of Commerce: A Guide to Starting and Growing a Chamber of Commerce* equips you with the basic tools to get your chamber up and running. We address the most frequently asked startup questions, provide a wide array of resources for further information, and effectively describe how an interested, well-organized group can create a climate for growth and success in the community.



Your questions are invited.  
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Information for this document was compiled with the help of Robert C. Harris, CAE, a faculty member at Institute for Organization Management, as well as from the ASAE and ACCE Web sites.

## WHAT IS A CHAMBER?

**A** chamber of commerce is a voluntary partnership of business and professional people working together to build a healthy economy and to improve the quality of life in a community.

As a chamber works to accomplish these goals, it must be able to take on many different functions: economic developer and planner, tourist information center, business spokesperson, economic counselor and teacher, government relations specialist, human resources advisor, and public relations practitioner.

## WHO ARE A CHAMBER'S MEMBERS?

Chamber of commerce members are businesses, organizations, and individuals concerned with the socioeconomic climate of a community. These groups have joined together because they stand a better chance of getting things done when speaking with one voice. Chamber members include the small hardware store on the corner, the mom-and-pop diner, the established bank downtown, and your local baseball team. There is no limit or restrictions on the number or kinds of members that choose to get involved in a chamber of commerce.

## WHO LEADS A CHAMBER?

A chamber of commerce is run by its members. They elect a board of directors that determines policies and sets goals. A president presides over all board meetings.

A chamber's day-to-day operations are handled by a professional manager. This person is generally a paid employee. Some small communities have managers who are either volunteers or part-time employees.

Get your members involved in the chamber by encouraging them to work on committees. Set up any number of committees—economic development, education, human resources conventions, tourism, public affairs, and government relations.

## WHAT ARE THE OBJECTIVES OF A CHAMBER?

As it works to improve a community's economy and quality of life, the chamber keeps these broad objectives in mind:

- Help businesses prosper and grow
- Increase job opportunities
- Encourage an orderly expansion and development of all segments of the community
- Contribute to the overall economic stability of the community
- Promote the nation's private enterprise system of competitive marketing



## SURVIVING THE FIRST YEAR: A 12-MONTH TIMELINE

**M**ost new chamber volunteers do not know that experienced professionals are available to help organize a chamber. They either become do-it-yourself organizers or start by hiring an attorney to incorporate. After that, volunteers are left to accomplish the rest.

While the strictly volunteer route is economical, using a professional will increase the likelihood of success due to increased efficiency. For example, drafting the bylaws or creating a membership brochure could take several months for a committee. At the end of six months, the group is still deciding on a logo and a budget. A professional could have drafted the bylaws in a week or so (if the right information is available) and printed the membership brochure within a month.

A chamber management professional can facilitate, even expedite, the formation of a new chamber. This is critical, considering that volunteers and new members lose interest when immediate results are not seen. Prospective members are quick to judge the strengths and weaknesses of the organization within the first year. A strong, efficient startup is essential in the success of a new chamber.

### **Time to Start Building: Four Quarters of Work**

Work can be divided into four quarters in the first year:

- First Quarter      Study the Market and Design a Blueprint
- Second Quarter    Lay the Groundwork for Success
- Third Quarter      Build Upon the Foundation
- Fourth Quarter     Evaluate and Make Corrections

## FIRST YEAR

### FIRST QUARTER—STUDY THE MARKET AND DESIGN A BLUEPRINT

**W**hen architects begin a new project, they first study their surroundings, acknowledge there is a need for the new structure, and design a blueprint for their work. This helps identify the goals of the project and gets everyone on the same page. The first phase in the construction of a chamber of commerce is exactly the same. It requires analysis and research into why the new chamber should be formed. The primary question should be: Why does this new organization need to exist? The purpose may contain a sense of urgency, and it will serve as a rallying point for potential members.

The next activity is a requirement before starting any kind of business: Spy on the competition! What other groups are out there serving the constituency? What services are these other groups offering, and how satisfied are their members?

Now scope out the potential consumers. How many people, companies, and small businesses are potential members of the organization? Do they represent a base large enough to support a chamber? Are the potential customers easily identifiable and easily reachable? The chamber must be able to contact potential members by mail, phone, or advertising for promotional purposes.

Time spent studying the market potential is crucial to the success of an organization.

### SECOND QUARTER— LAY THE GROUNDWORK FOR SUCCESS

Once a blueprint is created, builders begin by laying a solid foundation on which the building will rest. While the foundation of a building is made of concrete and cement, the foundation of a chamber is made up of an enthusiastic and trustworthy group of people.

This next phase of work requires developing leadership by forming a board of directors and committees. These individuals and groups commit to accomplishing the initial needs of the chamber.

It is particularly important to identify recognized, experienced leaders because an effort spearheaded by such key players will gain immediate notice and credibility and help ensure a following during this important startup period. These leaders will be the support beams. It is also wise, however, to see that the core group represents all factions of the constituency that the new organization will serve, not just a few leaders or a well-established clique. There will need to be broad support to get the new group off the ground, and this will not happen unless all facets feel that they have representation among the decision makers.

Once the organizing committee is set, the real work begins. Various tasks may be delegated to individuals and reported on when the group meets as a whole, similar to the way committees report to the full board when the organization is up and running.

## **THIRD QUARTER— BUILD UPON THE FOUNDATION**

At this point the foundation should be solid, meaning that the board and committees should be acting as a team, and the direction should be clear for the new organization. At six months, members and interested parties will be judging the value of the chamber. It will be time to develop benefits and plan the first annual meeting or conference.

There should also be a communications or marketing plan to inform members, prospective members, allies, and others about the accomplishments and goals of the chamber. Internal and external communications are essential in the first year. Drafting a strategic plan will provide a road map for the organization.

## **FOURTH QUARTER— EVALUATE AND MAKE CORRECTIONS**

Now is the time to review your progress, survey the organization you have built, and realize what works and what does not. It should become apparent whether the suppositions, speculation, and work have paid off. Was the mission strong enough to draw a membership base? Were the communications, marketing, and meetings effective? Did the industry leaders follow through on their commitments to invest in a guide for the chamber?

As with any good project, the process of evaluation is essential, allowing the board of directors to make corrections to the direction of the chamber. This is also the time to determine if the project was successful. Not all chambers succeed. There will be little reason to proceed if the members are not getting what they want.

The quarters may extend beyond three months each, depending on the size of the tasks, the availability of consultants, and resources, including volunteer labor and funding. In the early stages, member commitment is essential or each task will become more arduous for the leadership and volunteers. Creating a chamber of commerce is not easy and will take time and dedication from many people. Be patient. Rome wasn't built in a day!



## AN 11-STEP PLAN

The following 11 categories outline the general steps for organizing a new chamber. Not every activity will fit neatly into the quarters. Some will require ongoing attention, such as membership development and budgeting, while some tasks can be completed and closed.

### 1. MISSION AND RESEARCH

The first consideration in forming a new chamber is the mission statement. A mission statement is a description of what the organization is to be and whom it is to serve. It answers the question, “What business are we in, and who are our customers?”



A mission statement is usually only one or two sentences and should be broad enough to allow an organization to increase its goals and services without outgrowing its mission for many years.

This is also the time to check with potential members about their interest and willingness to join and support a chamber. It would be beneficial to hold a conference call or meet with a focus group to learn what they would want from a new chamber. Other sources of information about the potential for a chamber include accountants, attorneys, lobbyists, the Internet, and other professionals.

## 2. CHAMPIONS

Nearly every chamber has a champion: a person or nucleus of individuals dedicated to forming the organization. One or more of these persons will act as the informal leader until an election or appointment formally recognizes a board of directors.

If the chamber has not found a champion, one should be found as soon as possible by investigating who is the perceived leader. Count on the champion to help draft the mission statement. He or she will be able to identify potential leaders and members and give advice on what benefits will be valuable to the members. The champion may find himself or herself, as the founder and financier, raising the initial working capital as startup funds will be needed for meeting notices, mailings, printing, and incorporation.

## 3. TURNING POINT

Thus far, there should be only one month of work invested. After the research and the identification of the champion and potential members, a determination should be made whether or not to proceed. Before investing great expenditures of time and money, let this be a turning point. If potential members have not shown enough interest, or there is not sufficient reason for forming, now is the time to retreat.

This would be a good time to start keeping records of the meetings. These minutes will serve to protect the chamber and meeting attendees from illegal antitrust actions. They also become interesting historical documents as future leaders look back at the founding discussions and participants.

## 4. ORGANIZATIONAL STRUCTURE

As a starting point, an applicable structure should be outlined. Since chambers of commerce are autonomous and fit their operations to local needs, the formal structure will vary considerably. Most chambers have a somewhat similar flow of responsibility: the membership elects a board of directors that determines policy and hires the professional staff and work-units to handle the business of the organization (committees, divisions, task forces, councils, and bureaus).

Current popular structures may be classified in two general categories:

- **Traditional**—An elected board of directors and officers set up standing committees in major goal areas responsible to them for problem solving.
- **Council Task Force**—The board designates a director or officer to serve as the liaison on specially developed councils. The councils cover major areas of concern including economic development, and socioeconomic and governmental affairs.

The councils act as coordinating and policy-forming groups by assigning specific problems or goals to task forces for research and evaluation. The task forces are composed of selected experts from the membership and exist only as long as necessary to complete the assigned task. The board of directors approve final council recommendations.

Bylaws and a charter are additional structural necessities. Since chambers of commerce are nonprofit tax-exempt organizations, receiving the approval of the Internal Revenue Service (IRS) is mandatory. Section 501 (c)(6) covers chambers of commerce and provides for their exemption. To apply for a tax exemption, obtain Form 1024 from the district office of the IRS. Accompanying the application should be the articles of incorporation, bylaws, and a general statement of purpose for the organization. These documents will remain on file with the IRS and serve as the basis for granting the exemption.

Bylaws typically include some or all of the following:

- Purpose of the Chamber
- Membership Categories
- Membership Qualifications
- Membership Privileges
- Board of Directors, Description
- Qualifications of Officers, Their Duties, and Terms of Office
- Identification of Standing and Ad Hoc Committees
- Provisions for Hiring and Entering Into Contracts
- Nomination and Election Procedures
- Methods for Filling Board Vacancies
- Process of Bylaw Revisions
- Dissolution Processes

(An example of a chamber of commerce bylaw can be found at the conclusion of this document.)

It is wise to utilize the skills of an attorney and CPA during this process. The exemption letter received from the IRS should be kept in a safe place since it contains the identification number needed in future reports. For example, the exemption number must be used in filing yearly reports (Form 990). This report, and others that may be required from time to time, must be filed yearly in order to maintain a tax-exempt status. Now is also the time to file for a federal identification number. Most banks will require the federal ID before they will open a checking account.

For further information visit the IRS Web site specific to tax information for charities and nonprofits: [www.irs.gov/charities/index.html](http://www.irs.gov/charities/index.html).

## 5. FINANCES

As in business, adequate resources or capital is necessary for accomplishment and growth. To determine anticipated income, consider the most common forms of chamber revenue. These include dues paid by members, conference registration fees, sponsorships, and advertising.

New chambers are dependent on dues as a primary source of income until other programs are developed. Therefore it is important to set a dues structure that will provide a solid base of funds. To determine the amount of dues paid by a member, you will have to consider the total population of potential members and the likelihood that about 50% will join. A smaller number of potential members require a much higher dues fee. Conversely, the larger the potential membership, the lower the dues amount.

Expenses also help determine the dues amount. After you total all the anticipated expenses, divide that number by the most likely number of members to join in the first year. The result will be the approximate amount of dues necessary per member to finance the operations. Include line items in your expenses for basics such as postage, printing, travel, and meetings, and remember to add money for a contingency (savings) fund as well as insurance for the chamber and the board.

Developing benefits and services for the membership will cost money. This is the time to decide the number of educational offerings, plans for a trade show, and the costs of creating a certification program. The most advantageous services you offer your members (and nonmembers at a potentially higher fee) will be those that generate income.

Be sure that the leadership reviews the budget and understands how, and from where, the funds are generated. In addition, make suggestions (and include them in the minutes or in a policy manual) on what safeguards will be used to protect the treasury.

Sound financial management and the handling and reporting of funds to the proper bodies are essential. The IRS may call for an audit or an examination at any time. A yearly audit by an outside independent accounting firm is advisable.

Also, accurate minutes of board meetings should be kept. Minutes are the official record of the organization's policy decisions. They serve as a legal document and history of the chamber's development.

## 6. PHYSICAL OPERATIONS

Members expect a lot from their chambers when they pay dues. They want to know if there will be a permanent headquarters established for the new organization that is centrally or strategically located or if the functions of the chamber transfer from volunteer to volunteer each year.

While much can be accomplished on a strictly volunteer basis, it is more likely that certain operations will need to be handled by a paid staff. It is important to decide where the membership database will live, how the dues will be billed; and where checks will be received and deposited. A new chamber has several options for its physical operations, including the following:

### *Volunteer Driven*

New chambers frequently consider that all operations will be done by volunteers. However, in today's busy society, it is difficult to expect a volunteer to accomplish the mundane administrative tasks that are required to maintain a chamber. Further, with litigation and liability arising so often, a volunteer-managed chamber might soon find itself in trouble.

### *Volunteers, Supported by Consultants, Part-Time Staff*

A more likely scenario for a new chamber is to hire consultants for specific jobs, such as lobbying or accounting, and assigning certain tasks to volunteers and committees, such as collecting dues and writing newsletters.

The advantage of a dual system of operations is economic savings. The disadvantage is a shortage of staff to accomplish the mission and goals.

### *Retaining Staff*

Keeping staff to operate the chamber is a viable option, though the most expensive. The board is responsible for hiring and firing, staff benefits, training, and leasing or purchasing office space and equipment. The increased costs of full-time staffing is reflected in the chamber budget and causes member dues to increase accordingly.

For more information on volunteer leadership visit: [www.iaamc.org](http://www.iaamc.org).

## 7. MEMBERSHIP

As soon as possible, prospective members should be contacted about joining the organization. First, you need to create a membership application and brochure. It should include the appropriate IRS disclosures and any necessary disclaimers. Will members be able to join with a credit card? Does a current member have to sponsor a new member?

Create a membership application that can be faxed or used on an Internet home page. Now is also the time for designing a brochure that describes the purposes and benefits of joining. It can be distributed by the membership committee and used to respond to inquiries about the chamber.

After the application is designed, a membership drive should be undertaken. The leadership or committee will want to consider compiling or purchasing potential mailing and e-mail lists, creating incentives for joining, and setting goals for a membership drive. It is suggested that during the first year the initial members be offered recognition as “charter” or “founding” members of the chamber.

Decide what kinds of communications new members will receive when they join. Consider the value of a prompt reply, a member orientation kit, a certificate or plaque, and a wallet ID card.

## 8. MEETINGS

Since chambers are composed of individuals and businesses seeking common information, meetings are a popular method for sharing information and accomplishing goals. They come in the form of board and committee meetings, annual meetings, educational sessions, conferences, and trade shows.

In the early months, carefully planned meetings should be held with well-defined agendas and the involvement of the champions or leadership. Conference calls are another form of meeting, though there are many advantages of meeting in person.

The first-year calendar should include at least quarterly board meetings to handle the decision making necessary as the organization grows. Committees may want to meet in conjunction with the board. Most members anticipate an annual meeting to meet and network with colleagues.

## 9. PUBLIC RELATIONS

Early in the formation process, a news release should be prepared to announce the chamber, its mission, its leadership, and how it can be reached for more information. Distribute it to every organization and publication that will be interested in the new chamber.

Develop a logo representative of the chamber members and mission. Stationery and envelopes fall under the category of public relations since these will be the most frequently transmitted impression of the chamber. Be sure that the letterhead looks professional. Consider using color, a tagline to describe the mission of the chamber, and a listing of the leadership. In addition, create similar electronic letterhead for use in e-mail and online.

Develop a Web page for your new organization that includes its mission, contact information, and instructions for becoming involved. Since communications are part of a public relations effort, you will want to start thinking about what form of communication the members prefer.

## 10. GOVERNMENTAL AFFAIRS

The primary mission of many chambers is to influence the government. For some new groups, hiring a lobbyist is the first step to take. In addition, becoming a member of the U.S. Chamber of Commerce will give you access to its team of lobbying experts.

There are several ways to monitor government, often influenced by the scope of government being examined (local, state, national, or international) and the capabilities of varying services. A successful chamber may simply hire one or more lobbyists as employees to do research and influence the issues. Other options include retaining lobbyists on an as-needed basis, subscribing to publications and services

to help you monitor the issues as they arise, joining other groups interested in similar issues, or assigning the entire task to volunteers and committees.

Since chambers are made up of members who have expressed an interest in similar issues, creating a grassroots effort for lobbying is usually effective. Chambers use telephone trees, rely on members who know elected officials, and undertake letter-writing campaigns to influence government lawmakers. Another member-driven effort is that of contributing time and money to political campaigns or creating a chamber-sponsored political action committee (PAC).

Position papers should be drafted. These papers will make certain that all members understand the chamber's positions. They can also be used to educate the press and lawmakers about the chamber's legislative priorities.

## **11. STRATEGIC PLANNING**

The importance of a strategic plan is to commit the chamber's objectives and action steps to writing. The plan should cover a time period of one to five years. A key aspect of creating such a plan is to consider the environment in which the chamber will be operating and identifying the factors that will affect it, such as competition, government regulation, and anticipated crises.

Normally, the writing of a plan is done in a dedicated retreat-like setting with the leadership and core volunteers. The use of an outside facilitator allows for impartial input and the introduction of insights. The job of the facilitator is to advance the process and ensure that the plan is completed in the allotted time.

The recommended time to write the strategy plan is in the last half of the first year, when enough experience with member input and chamber efforts can be evaluated and directions can be set for the second year of the organization.

## SUMMARY

**K**ee your members engaged through committee and board assignments; channel the strength of your volunteers; and stay focused on your chamber's top priorities. Remember, a strong, active chamber improves the economic vitality of the community and enhances the quality of life for all.



# **APPENDIX**

## **I. A CHECKLIST FOR STARTING A CHAMBER**

## **II. SAMPLE JOB DESCRIPTIONS**

## **III. RESOURCES AND REFERENCE BOOKS**

## **IV. SAMPLE BYLAWS**



## APPENDIX I

### STARTING A CHAMBER CHECKLIST

<input checked="" type="checkbox"/> Document	Description
<input type="checkbox"/> Mission Statement	The mission statement is usually one sentence and identifies three elements: (1.) the organization, (2.) its members, and (3.) what it does for its members. It should complement the IRS application's "statement of purpose." A mission statement is required.
<input type="checkbox"/> Vision Statement	The vision statement is a long-range outlook for where the chamber is headed. This statement is optional.
<input type="checkbox"/> Values Statement	The values statement provides the guiding principles for the board and staff. It is generally developed well after the startup of the organization, as values become clear.
<input type="checkbox"/> Strategic Plan	The strategic plan is developed by the board to set the general objectives and supporting strategies to advance the mission and vision. The plan should include broad goals, strategies to achieve the goals, and some performance measures. For example, if increasing membership is the goal, strategies may include membership drives, member incentives for joining, and a membership committee. Performance measures may indicate the number of new and renewing members.
<input type="checkbox"/> Business or Action Plan	The business or action plan details the delegation and deadlines necessary to advance the strategic plan, from the staff's perspective. A strategic plan should cover 3 to 5 years; an action plan usually covers 1 year and is closely related to the annual budget.

✓ Document	Description
<input type="checkbox"/> Articles of Incorporation	The articles of incorporation are submitted to the state government describing the organization and requesting nonprofit corporate status.
<input type="checkbox"/> Bylaws	Bylaws describe how the organization operates and its relationship to the stakeholders.
<input type="checkbox"/> Letter of Determination	This document is returned from the IRS indicating that the organization is officially exempt from paying federal income tax. (Use IRS Form 1024 to apply for 501(c)(6) status.)
<input type="checkbox"/> Sales Tax	A sales tax is needed if the organization intends to sell items such as coffee mugs, shirts, books, and maps. A sales tax dealer number or exemption is likely to be required.
<input type="checkbox"/> Occupational License	Check with local municipal officials to determine if nonprofits need an occupational license.
<input type="checkbox"/> Insurance	Volunteer immunity may benefit the board of directors. An insurance advisor should determine if general liability, directors and officers liability, a fidelity bond, host-liquor liability, or meeting event cancellation insurance should be acquired.
<input type="checkbox"/> Policy Manual	Policies are motions by the board to set best practices for corporate governance and management. As policies are adopted and recorded in the minutes, they should be transcribed annually into the organization's official policy manual.

✓ Document	Description
<input type="checkbox"/> Procedures Manual	Procedures are the administrative responsibilities of the staff. Documenting and assembling staff responsibilities in a procedures manual serves to train new staff and promote consistent service support sustainability. If the executive director leaves unexpectedly, the board and staff could rely on the procedures manual to sustain operations.
<input type="checkbox"/> Leadership Manual	Volunteer leaders should receive a leadership manual or board handbook with information about their roles and responsibilities.
<input type="checkbox"/> Organization Chart	An organization chart depicts the relationship of the board to staff, consultants, and committees.
<input type="checkbox"/> Meeting Agenda	A well-written and organized agenda guides the meeting and ensures focused discussions on the desired outcomes. Minutes serve as an official record of the actions of the board.
<input type="checkbox"/> Board Performance Assessment	Board self-assessment encourages an internal look to ensure best practices and high standards of corporate governance.
<input type="checkbox"/> Committee Description	Every committee should have a written purpose or mission statement as described in the bylaws or in supplementary documents.
<input type="checkbox"/> Annual Business Meeting	Most states' corporate laws require an annual business meeting of the members. Be sure to keep proof of the meeting by retaining the agenda and minutes.
<input type="checkbox"/> Annual Budget	The annual budget forecasts the income and expenses needed for the fiscal year.

✓ Document	Description
<input type="checkbox"/> Annual Audit	Most organizations require an independent accounting professional to conduct some level of internal audit of the finances.
<input type="checkbox"/> Intellectual Property	Be sure to properly protect, register, trade mark, or copyright the intellectual property and logos belonging to the chamber (as they are developed.)
<input type="checkbox"/> Financial Reports	Financial reports detail income and expense information for board review and comparison against the annual budget on a consistent basis. A monthly report is an example of this type of document.
<input type="checkbox"/> Software Licenses	Any software installed on the organization's computers must have appropriate licenses available for inspection.
<input type="checkbox"/> Membership Application	A membership application facilitates recruitment and should describe the benefits and services of joining. Be sure it complies with IRS requirements for notices about lobbying and deductibility as a business expense.
<input type="checkbox"/> Membership Roster or Directory	The organization's membership database must be carefully protected. Prepare a response for when people or organizations ask to use your roster or directory of members.

✓ Document	Description
<input type="checkbox"/> Position Papers and Advocacy Plan	As community issues are identified, official positions are adopted by the organization. Position papers are one way to advise stakeholders of the issues and the rationale for their support or opposition.
<input type="checkbox"/> Job Descriptions for Staff	Written job descriptions detail each staff position. Many organizations also write job descriptions for volunteer officers, directors, and committee chairs.
<input type="checkbox"/> Employee Handbook	An employee handbook describes expectations, rights, and responsibilities for working in the association.
<input type="checkbox"/> Performance Review	A performance review is a document used by supervisors to evaluate staff performance and for the board to evaluate the executive director's performance.
<input type="checkbox"/> Surveys	From time to time, the organization surveys members about needs and satisfaction. Surveys indicate good two-way communications between the organization and its members.
<input type="checkbox"/> Logo	A logo representative of the organization and the community it represents should be adapted.
<input type="checkbox"/> Stationery and of Envelopes	Stationery is designed reflecting the image the organization and is safeguarded against misuse. Business cards should complement stationery.
<input type="checkbox"/> Style Guide	A style guide describes the preferred use of the logo, colors, fonts, and key terms.

## ✓ Document

## Description

### Environmental Scan

The organization's leadership must anticipate the trends and opportunities that face the community. This may be done through annual or periodic environmental scans resulting in a report or article for members to anticipate the future.

### Code of Conduct— Ethics

Many organizations rely on a leadership or member code of conduct or statement on conflicts of interest. This has become important since the Sarbanes Oxley Act passed in 2002 placing scrutiny on corporate boards.

### Antitrust Avoidance Statement

When similar businesses get together, there is some danger that prices or price fixing could occur. To avoid this, many organizations emphasize antitrust avoidance by distributing a written statement.



## APPENDIX II

### SAMPLE JOB DESCRIPTIONS

#### *Chief Paid Executive*

The chief paid executive of a chamber of commerce serves as the chief executive officer, carrying out the policies and directives of the membership. Typical job titles in this classification include:

- Executive Director
- President
- Executive Vice President
- President & CEO or President/CEO

#### *Executive/Operations*

The executive/operations serves as the chief operating officer of the chamber. The position assists in the management and oversight of personnel to ensure execution of the day-to-day business operations of the organization. Typical job titles in this classification include:

- Deputy Director
- Senior Vice President of Operations
- Office Manager
- Director, Internal Services
- Executive Assistant/Office Manager

#### *Finance/Bookkeeping*

This position maintains the organization's financial records and prepares reports for the chief paid executive and the board. This position also oversees the organization's financial activities including accounts receivable, accounts payable, and billing. Typical job titles in this classification include:

- Chief Financial Officer
- Vice President, Accounting
- Controller
- Finance Director
- Director, Accounting

## *Communications*

The communications department plans and manages all communications activities and publicity including staff, membership, and public information communications. Typical job titles for this classification include:

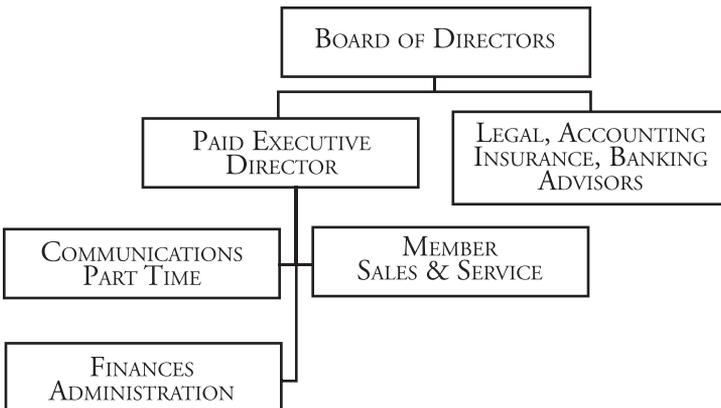
- Associate Director of Communications
- Communications Coordinator
- Senior Communications Manager
- Vice President of Communications
- Director, Advertising and Campaigns

## *Membership*

The positions in this department solicit and enlist new chamber members as well as membership renewals. In addition, this department solicits sponsorships for chamber programs and plans membership recruitment efforts such as membership drives. Typical job titles in this classification include:

- Vice President, New Member Sales
- Assistant Vice President of Member Relations
- Director of Sales
- Manager for Membership Services
- Membership Director

## **SMALL CHAMBER STRUCTURE**



## APPENDIX III

### RESOURCES AND REFERENCE BOOKS

#### *Resources*

Anyone starting out in the chamber business can turn to the following for additional assistance:

**Institute for Organization Management** is the premier professional development program for chamber executives. Programs are held for one week each year at five U.S. college campuses. The Institute curriculum consists of four increasingly advanced, consecutive levels of study. During the week, participants attend classes on the latest trends and techniques in chamber management taught by industry leaders, academics, and consultants. Class size is limited to enhance the learning experience and to foster peer interaction. For more information visit [www.uschamber.com/institute](http://www.uschamber.com/institute), call 202-463-5570, or e-mail [IOM@uschamber.com](mailto:IOM@uschamber.com).

The U.S. Chamber's **Accreditation Program** is the only national program that recognizes chambers for their effective organizational procedures and community involvement. To achieve Accreditation, a chamber must meet minimum standards in their operations and programs, including governance, government affairs, and technology. This extensive self-review can take 3-6 months to complete. The final rating, Accredited, 3-star, 4-star, or 5-star is determined by the Accrediting Board, a panel of U.S. Chamber members. Accreditation is open to all chambers that have been in operation for three or more years. U.S. Chamber members receive a discount on their application. For more information, visit [www.uschamber.com/chambers/accreditation.com](http://www.uschamber.com/chambers/accreditation.com) or call 202-463-5560.

**American Chamber of Commerce Executives** is a professional association designed to aid management personnel in their development in the profession. For information on their programs and materials, visit [www.acce.org](http://www.acce.org) or call 703-998-0072.

## **REFERENCE BOOKS**

### ***Finance and Legal***

*Model Policies and Procedures for Not-for Profit Organizations*

Edward J. McMillan, CAE—available on the ACCE Web site, [www.acce.org](http://www.acce.org)

### ***Governance***

*Enhancing Committee Effectiveness: Guidelines & Policies for Committee Administration*

John F. Schlegel, CAE—available on the ASAE Web site, [www.asaecenter.org](http://www.asaecenter.org)

### ***Hiring the Chief Executive***

Sheila Albert

Available on the ACCE Web site, [www.acce.org](http://www.acce.org)

*Volunteers—How to Get Them, How to Keep Them: An Essential Guide for Volunteer Leaders and Staff of Professional, Trade and Charitable Nonprofit Organizations*

Helen Little—available on the ASAE Web site, [www.asaecenter.org](http://www.asaecenter.org)

### ***Human Resources***

*Career Building for the Chamber Professional*

Available on the ACCE Web site, [www.acce.org](http://www.acce.org)

### ***Marketing and Communications***

*How to Develop a Customer Service Plan*

Available on the ACCE Web site, [www.acce.org](http://www.acce.org)

### ***Quick and Easy Newsletters***

Available on the ASAE Web Site, [www.asaecenter.org](http://www.asaecenter.org)

***Membership and Programs***

*Guide to State Legislative Lobbying*

Robert L. Guyer—available on the ASAE Web site, [www.asaecenter.org](http://www.asaecenter.org)

*Keeping Members: The Myths and Realities*

Arlene Farber Sirkin and Michael McDermott—available on the ASAE Web site, [www.asaecenter.org](http://www.asaecenter.org)

*Money Matters—Your Guide to Membership Sales*

Available on the ACCE Web site, [www.acce.org](http://www.acce.org)

*Millennium Membership: How to Attract and Keep Members in the New Marketplace*

Mark Levine, CAE—available on the ASAE Web site, [www.asaecenter.org](http://www.asaecenter.org)



## **APPENDIX IV**

### **SAMPLE BYLAWS**

These bylaws have been prepared as a guideline for chambers of commerce that are either preparing a bylaw document for the first time or are revising an existing document. Taken from a wide range of existing formats currently used by chambers, the most important provisions essential to a good set of bylaws are presented here. Chambers can adapt the wording and format to their individual needs. The blank spaces allow for chambers to insert numerical information relevant to their organization.

#### **ARTICLE I**

##### ***General***

###### **Section 1: Name**

This organization is incorporated under the laws of the state of \_\_\_\_\_ and shall be known as the \_\_\_\_\_ Chamber of Commerce, Incorporated.

###### **Section 2: Purposes (Include enough detail and specifics to reflect the purposes of the organization.)**

The \_\_\_\_\_ Chamber of Commerce is organized to achieve the objectives of: (1.) Preserving the competitive enterprise system of business by creating a better understanding and appreciation of the importance of businesspeople and a concern for their problems; educating the business community and representing them in city, county, state, and national legislative and political affairs; preventing or addressing controversies that are detrimental to the expansion and growth of business in the community if they arise; creating a greater appreciation of the value of a more liberal investment of substance and self on behalf of the interests of competitive business. (2.) Promoting business and community growth and development by promoting economic programs designed to strengthen and expand the income potential of all businesses within the trade area; promoting programs of a civic, social, and cultural nature that are designed to increase the functional and aesthetic values of the community; and discovering and correcting abuses that prevent the promotion of business expansion and community growth.

Or

The \_\_\_\_\_ Chamber of Commerce is organized to advance the general welfare and prosperity of the \_\_\_\_\_ area so that its citizens and all areas of its business community shall prosper. All necessary means of promotion shall be provided, and particular attention and emphasis shall be given to the economic, civic, commercial, cultural, industrial, and educational interests of the area.

### **Section 3: Area (Identify area served)**

The \_\_\_\_\_ area or \_\_\_\_\_ economic region shall mean to include the cities (or communities) of \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ and the counties of \_\_\_\_\_ and \_\_\_\_\_.

### **Section 4: Limitation of Methods**

The \_\_\_\_\_ Chamber of Commerce shall observe all local, state, and federal laws that apply to a nonprofit organization as defined in Section 501(c)(6) of the Internal Revenue Code.

## **ARTICLE II**

### ***Membership***

#### **Section 1: Eligibility**

Any person, association, corporation, partnership, or estate having an interest in the objectives of the organization shall be eligible for membership.

#### **Section 2: Election (How application is made, received, and approved)**

Applications for membership shall be in writing on forms provided for that purpose, and signed by the applicant. Election of members shall be by the board of directors at any meeting thereof. Any applicant so elected shall become a member upon payment of the regularly scheduled investment as provided in Section 3 of Article II.

#### **Section 3: Investments**

Membership investments shall be at such rates, schedule or formula as may be from time to time prescribed by the board of directors, payable in advance.

## **Section 4: Termination (Resignation, expulsion, and delinquency)**

(1.) Any member may resign from the chamber upon written request to the board of directors; (2.) Any member shall be expelled by the board of directors by a two-thirds vote for nonpayment of dues after 90 days from the date due, unless otherwise extended for good cause; (3.) Any member may be expelled by a two-thirds vote of the board of directors, at a regularly scheduled meeting thereof, for conduct unbecoming a member or prejudicial to aims or repute of the chamber, after notice and opportunity for a hearing are afforded the member complained against.

## **Section 5: Voting**

In any proceeding in which voting by members is called for, each member in good standing shall be entitled to cast 1 vote.

**Or**

In any case proceeding in which voting by members is called for, each member person shall be entitled to 1 vote, and each member firm, association, or corporation shall be entitled to a number of votes determined by the amount of investment paid, not to exceed 10 votes.

## **Section 6: Exercise of Privileges (Assignment of membership within subscription and any limitations)**

Any firm, association, corporation, partnership, or estate holding membership may nominate individuals whom the holder desires to exercise the privileges of membership covered by its subscriptions and shall have the right to change its membership nomination upon written notice.

## **Section 7: Orientation (Indicate areas of complete orientation. Make certain that detailed outlines of each group are part of the chamber's procedures manual.)**

At regular intervals, orientation on the purposes and activities of this organization shall be conducted for the following groups: new officers and directors and current officers and directors, committee chairmen, committees, and new members. A detailed outline for orientation of each of these groups shall be a part of this organization's procedures manual or orientation handbook.

## **Section 8: Honorary Membership**

Distinction in public affairs shall confer eligibility to honorary membership. Honorary members shall have all the privileges of

members except the right to vote and shall be exempt from payment of dues. The board of directors shall confer or revoke honorary membership by a majority vote.

## ARTICLE III

### *Meetings*

#### **Section 1: Annual Meeting**

The annual meeting of the corporation, in compliance with state law, shall be held during (month) of each year. The time and place shall be fixed by the board of directors and notice thereof mailed to each member at least 10 days before said meeting.

#### **Section 2: Additional Meetings (general membership, board, and committee meetings)**

General meetings of the chamber may be called by the chairman of the board at any time, or upon petition in writing of any (number or % members in good standing): (a) Notice of special meetings shall be mailed to each member at least 5 days prior to such meetings; (b) Board meetings may be called by the chairman of the board or by the board of directors upon written application of 3 members of the board. Notice including the purpose of the meetings) shall be given to each director at least 1 day prior to said meeting; (c) Committee meetings may be called at any time by the chairman of the board, respective department vice chairmen, or by the committee's chairman.

#### **Section 3: Quorums**

At any duly called general meeting of the chamber, (number or % of) members shall constitute a quorum; at a board meeting, a majority of directors present shall constitute a quorum; at committee meetings, a majority shall constitute a quorum except when a committee consists of more than 9 members. In that case, 5 shall constitute a quorum.

#### **Section 4: Notices, Agendas, Minutes**

Written notice of all chamber meetings must be given at least \_\_\_\_\_ days in advance unless otherwise stated. An advance agenda and minutes must be prepared for all meetings. A detailed outline for preparation of both shall be a part of this organization's procedures manual.

## **ARTICLE IV**

### ***Board of Directors***

#### **Section 1: Composition of the Board**

The board of directors shall be composed of \_\_\_\_\_ members, (one-third) of whom shall be elected annually to serve for 3 years or until their successors are elected and have qualified. The incoming chairman of the board may appoint, subject to the approval of the board from 3 to 6 members to the board to serve one-year terms. The past chairman and the president shall serve as members of the board.

The government and policymaking responsibilities of the chamber shall be vested in the board of directors, which shall control its property, be responsible for its finances, and direct its affairs.

#### **Section 2: Selection and Election of Directors**

**A. Nominating Committee.** At the regular (month) board meetings, the chairman of the board shall appoint, subject to approval by the board of directors, a nominating committee of (number) members of the chamber. The chairman of the board shall designate the chairman of the committee.

Prior to (date), the nominating committee shall present to the president a slate of (number of vacancies) candidates to serve 3-year terms to replace the directors whose regular terms are expiring. Each candidate must be an active member in good standing and must have agreed to accept the responsibility of a directorship. No board member who has served two consecutive three-year terms is eligible for election for a third term. A period of 1 year must elapse before eligibility is restored.

**B. Publicity of Nominations.** Upon receipt of the report of the nominating committee, the president shall immediately notify the membership by mail of the names of persons nominated as candidates for directors and the right of petition.

**C. Nominations by Petition.** Additional names of candidates for directors can be nominated by petition bearing the genuine signatures of at least (number) qualified members of the chamber. Such petition

shall be filed with the nominating committee with 10 days after notice has been given of the names of those nominated. The determination of the nominating committee as to the legality of the petition(s) shall be final.

**D. Determination.** If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of (number of vacancies) candidates shall be declared elected by the board of directors at their regular (month) board meeting.

If a legal petition shall present additional candidates, the names of all candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for (number of vacancies) candidates only. The president shall mail this ballot to all active members at least 15 days before the regular (month) board meeting.

The ballots shall be marked in accordance with instructions printed on the ballot and returned to the chamber office within 10 days. The board of directors shall at its regular (month) board meeting declare the (number) candidates with the greatest number of votes elected.

**E. Judges.** The chairman of the board shall appoint, subject to the approval of the board of directors, at least 3, but not more than 5, judges who are not members of the board of directors or candidates for election. One will be designated chairman. Such judges shall have complete supervision of the election, including the auditing of the ballots. They shall report the results of the election to the board of directors.

### **Section 3: Seating of New Directors**

All newly elected and appointed board members shall be seated at the regular (month) board meeting and shall be participating members thereafter. Retiring directors shall continue to serve until the end of the program year.

### **Section 4: Vacancies**

A member of the board of directors who shall be absent from 3 consecutive regular meetings of the board of directors shall automatically be dropped from membership on the board unless

confined by illness or other absence approved by a majority vote of those voting at any meeting thereof.

Vacancies on the board of directors, or among the officers, shall be filled by the board of directors by a majority vote.

## **Section 5: Policy (statements of position on issues)**

The board of directors is responsible for establishing procedure and formulating policy for the organization. It is also responsible for adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

## **Section 6: Management**

The board of directors shall employ a president (or appropriate title) and shall fix the salary and other considerations of employment.

## **Section 7: Indemnification**

The chamber may, by resolution of the board of directors, provide for indemnification by the chamber of any and all current or former officers, directors, and employees against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which any of them are made parties, or a party, by reason of having been officers, directors, or employees of the chamber, except in relation to matters as to which such individuals shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

# **ARTICLE V**

## ***Officers***

### **Section 1: Determination of Officers**

The board of directors (new and retiring) at its regular (month) meeting shall reorganize for the coming year. The nominating

committee for directors shall also nominate officers each year. At this meeting, the board shall elect the chairman of the board, chairman-elect, as many vice chairmen as is deemed necessary to conduct the activities of the chamber, and the treasurer. Officers will be elected from members of the new board. All officers shall take office on the first day of the new fiscal year and serve for a term of 1 year or until their successors assume the duties of office. They shall be voting members of the board of directors.

## **Section 2: Duties of Officers**

**A. Chairman of the Board.** The chairman shall serve as the chief elected officer of the chamber of commerce and shall preside at all meetings of the membership, board of directors, and executive committee.

The chairman of the board shall, with advice and counsel of the president, assign vice chairmen to divisional or departmental responsibility, subject to board of director's approval.

The chairmen of the board shall, with advice and counsel of vice chairmen and the president, determine all committees, select all committee chairmen, assist in the selection of committee personnel, subject to approval of the board of directors.

**B. Chairman-Elect.** The chairman-elect shall exercise the powers and authority and perform the duties of the chairman in the absence or disability of the chairman. The chairman-elect shall also serve as head of the program of work committee of the chamber. As such, the chairman-elect and committee will be responsible for determining that the program activities of the chamber are of such duration as is required, at all times being alert to ensure that the activities of the chamber are directed toward achieving business and community needs in the area served by the chamber.

**C. Vice Chairmen.** The duties of the vice chairmen shall be such as their titles by general usage would indicate, and such as required by law, as well as those that may be assigned by the chairman and board of directors. They will also have under their immediate jurisdiction all committees pertaining to their general duties.

**D. Treasurer.** The treasurer shall be responsible for the safeguarding of all funds received by the chamber and for their proper disbursement. Such funds shall be kept on deposit in financial institutions or invested in a manner approved by the board of directors. Checks are to be signed by the treasurer and the president or, in the absence of either or both, by any two officers. The treasurer shall cause a monthly financial report to be made to the board.

**E. President (or preferred title).** The president shall be the chief administrative and executive officer. The president shall serve as secretary to the board of directors, and prepare notices, agendas, and minutes of board meetings of the board.

The president shall serve as advisor to the chairman of the board and program of work committee on program planning and shall assemble information and data and prepare special reports as directed by the program of the chamber.

The president shall be a member of the board of directors, the executive committee, and all committees.

With assistance of the divisional vice chairmen, the president shall be responsible for administration of the program of work in accordance with the policies and regulations of the board of directors.

The president shall be responsible for hiring, discharging, directing, and supervising all employees.

With the cooperation of the program of work committee and budget committee, the president shall be responsible for the preparation of an operating budget covering all activities of the chamber, subject to approval of the board of directors. The president shall also be responsible for all expenditures with approved budget allocations.

### **Section 3: Executive Committee**

The executive committee shall act for and on behalf of the board of directors when the board is not in session but shall be accountable

to the board for its actions. It shall be composed of the chairman of the board, past chairman, chairman-elect, vice chairmen, treasurer, and the president. The chairman of the board will serve as chairman of the executive committee.

## **Section 4: Indemnification**

The chamber may, by resolution of the board of directors, provide for indemnification by the chamber of any of its officers or former officers as spelled out in Article IV, Section 7 of these bylaws.

## **ARTICLE VI**

### ***Committees and Divisions***

#### **Section 1: Appointment and Authority**

The chairman of the board, by and with the approval of the board of directors, shall appoint all committees and committee chairmen. The chairman of the board may appoint such ad hoc committees and their chairmen as deemed necessary to carry out the program of the chamber. Committee appointments shall be at the will and pleasure of the chairman of the board and shall serve concurrently with the term of the appointing chairman of the board, unless a different term is approved by the board of directors.

It shall be the function of committees to make investigations, conduct studies and hearings, make recommendations to the board of directors, and carry on such activities as may be delegated to them by the board.

#### **Section 2: Limitation of Authority**

No action by any member, committee, division, employee, director, or officer shall be binding upon, or constitute an expression of, the policy of the chamber until it has been approved or ratified by the board of directors.

Committees shall be discharged by the chairman of the board when their work is been completed and their reports accepted, or when, in the opinion of the board of directors, it is deemed wise to discontinue the committees.

### **Section 3: Testimony**

Once committee action has been approved by the board of directors, it shall be incumbent upon the committee chairmen or, in their absence, whom they designate as being familiar enough with the issue, to give testimony to, or make presentations before, civic and governmental agencies.

### **Section 4: Division**

The board of directors may create such divisions, bureaus, departments, councils, or subsidiary corporations as it deems advisable to handle the work of the chamber.

The board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations. The board shall annually review and approve all activities and proposed programs of such divisions, bureaus, departments, councils, or subsidiary corporations having bearing upon or expressive of the chamber, unless approved by the board of directors.

## **ARTICLE VII**

### ***Finances***

#### **Section 1: Funds**

All money paid to the chamber shall be placed in a general operating fund. Funds unused from the current year's budget will be placed in a reserve account.

#### **Section 2: Disbursements**

Upon approval of the budget, the president is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the board of directors. Disbursements shall be by check.

#### **Section 3: Fiscal Year**

The fiscal year of the chamber shall close on (date).

## **Section 4: Budget**

As soon as possible after the election of the new board of directors and officers, the executive committee (or budget committee if preferred) shall adopt the budget for the coming year and submit it to the board of directors for approval.

## **Section 5: Annual Audit**

The accounts of the chamber of commerce shall be audited annually as of the close of business on (date ending fiscal year) by a public accountant. The audit shall at all times be available to members of the organization within the offices of the chamber.

## **Section 6: Bonding**

The president and such other officers and staff as the board of directors may designate shall be bonded by a sufficient fidelity bond in the amount set by the board and paid for by the chamber.

# **ARTICLE VIII**

## ***Dissolution***

### **Section 1: Procedure**

The chamber shall use its funds only to accomplish the objectives and purposes specified in these bylaws, and no part of said funds shall inure or be distributed to the members of the chamber. On dissolution of the chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the board of directors as defined in IRS Section 501(c)(3).

# **ARTICLE IX**

### **Section 1: Parliamentary Authority**

The current edition of Roberts Rules of Order shall be the final source of authority on all questions of parliamentary procedures when such rules are not consistent with the charter or bylaws of the chamber.

## **ARTICLE X**

### ***Amendments***

#### **Section 1: Revisions**

These bylaws may be amended or altered by a two-thirds vote of the board of directors or by a majority of the members at any regular or special meetings, provided that notice for the meeting includes the proposals for amendments. Any proposed amendments or alterations shall be submitted to the board or the members in writing at least 10 days in advance of the meeting at which they are to be acted upon.

Adopted: (date)

Amended: (date)

