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**State Affiliation Agreement**

**Frequently Asked Questions (FAQs)**

**PURPOSE**

**Why are State Affiliates being asked to sign a State Affiliation Agreement?**

One of SNA’s objectives, as part of the overarching Community goal identified three years ago in the SNA Strategic Plan, is to enhance the SNA and State Affiliate partnership to align efforts to achieve SNA strategic goals. The SNA Board of Directors determined that the creation of a State Affiliation Agreement—outlining how SNA and State Affiliates will work together to support each other—will help SNA and State Affiliates in reaching their goals.

**How does this change the relationship between SNA and the State Affiliate?**

The Agreement simply acts as a formal, legal recognition of the relationship and benefits that already exist between the State Affiliate and the national association. The Agreement also clarifies the obligations of both SNA and the State Affiliate.

**PROCESS**

**What should the first step be?**

Share the Agreement with your State Affiliate board of directors for review. If you have any additional questions not answered by the FAQs, please reach out to SNA for clarification; SNA State Affiliation Relations Manager at StateSupport@schoolnutrition.org or (800) 877-8822, ext. 174.

**By who and how is the Agreement approved?**

The Agreement must be approved by the State Affiliate board of directors through a motion and vote. Once approved, the State President should sign the Agreement and submit it to SNA. The SNA Board of Directors has already approved the Agreement.

**By when does the Agreement need to be approved?**

There is no specific date by which the Agreement must be approved. SNA wants to allow ample time for review and discussion by the State Affiliates. The hope is that all state Agreements are signed and approved by December 31, 2018.

**Does the Agreement need to be signed on an annual basis?**

No, once the Agreement is signed by both the State Affiliate and SNA, it does not need to be reissued. If changes must be made, SNA will inform the State Affiliate (or vice versa). For example, if a new area of support is being provided by SNA, a State Affiliation Agreement memo will be sent to the State Presidents, Presidents-Elect and State Association Executives/Staff.

**What if there are questions or State Affiliate needs help understanding the Agreement?**

Please don’t hesitate to contact the SNA State Affiliation Relations Manager at StateSupport@schoolnutrition.org or (800) 877-8822, ext. 174 who can either answer your question or connect you with someone who can.

**Does the State Affiliate need to keep a copy of the signed Agreement on file?**

Yes, this a best practice to follow. SNA will also have a copy on file at Headquarters.

**What if the State Affiliate board of directors does not approve and sign the Agreement?**

If you are encountering challenges in approving the Agreement, please reach out to SNA for assistance with your questions. Please don’t hesitate to contact the SNA State Affiliation Relations Manager at StateSupport@schoolnutrition.org or (800) 877-8822, ext. 174 who can either answer your question or connect you with someone who can.

**What if a state president is reluctant to present the State Affiliation Agreement to the state board of directors and be the one to sign this Agreement? What assistance can SNA provide?**

If you have concerns, SNA is here to help answer your questions and help walk your state board through this process. You will sign the Agreement as president after the board of directors approves it, as the representative of the board of directors.

**THE AGREEMENT**

**I. STATE AFFILIATION AGREEMENT**

**What if the state association’s place of business changes (such as when the new Board of Directors take office next year)?**

You will use the state’s address at the time when the Agreement is signed. SNA’s legal counsel confirmed that if your address changes in the future, this will not be an issue. SNA maintains updated contact information on file for all State Affiliate leaders.

**Why do certain provisions extend beyond termination? Which provisions are these?**

Certain provisions are extended beyond termination of the Agreement to protect SNA and its intellectual property. This is common language in such Agreements. The provisions that extend beyond termination include:

* Section V. Intellectual Property and Proprietary Information, A. Limited License and B. Confidential Information
* Section VII. Indemnification

**Does the State Affiliate need to get its local chapters to sign affiliation agreements?**

Right now, the focus is getting the signed Agreement in place with SNA and its State Affiliates. Once all the State Affiliation Agreements have been signed, SNA plans to provide best practices for State Affiliates and their relationship with local chapters.

**If the State Affiliate wants chapters to sign an affiliation agreement, where does the “template” come from? How is SNA protected?**

SNA is not planning to do this now, and therefore, there is no template available.

**II. MEMBERSHIP**

**What if the state currently offers a state-only membership option?**

SNA will provide addendums to the State Affiliates which currently offer the state-only membership option. The addendum will allow the State Affiliate to continue this practice. This is intended to balance the need for consistency in membership options overall, while providing flexibility for the unique situation of certain states.

**What if the State Affiliate offers additional or different membership categories, other than those on the SNA membership application?**

Overall, most State Affiliates’ membership categories match the membership categories listed on the SNA membership application. However, over the years, a handful of states have started utilizing additional categories that do not exactly match SNA’s membership categories. SNA will provide addendums to the State Affiliates which currently offer different or additional membership category options. Please speak with SNA Headquarters staff directly if this applies to your state.

**What if the State Affiliate can’t meet the 45-day deadline to submit membership dues and applications?**

SNA may allow for flexibility in meeting this 45-day deadline requirement, on a case-by-case basis.

**Do all school districts now need to be School District Owned Membership (SDM)?**

It is up to an individual school district to decide whether its employees join SNA as individual members or via the SDM organization owned option. What is required of all State Affiliates is to continue to offer SDM as a membership option now that this membership option has been introduced by SNA, in addition to individual memberships.

**Why does SNA need to process all memberships? Why can’t the State Affiliate process their own memberships?**

The use of an association’s bank’s lockbox system to collect and process membership dues payments is a common practice of large, national associations to ensure timely receipt and processing of one of the organization’s largest sources of revenue. This was a practice recommended by SNA’s auditing firm after the old practice, where dues were being sent first to the state and then into national, was identified as a material weakness on SNA’s annual audit report for several years. The Direct to National Processing Program was established to offer members and State Affiliates a streamlined membership processing program where members send their membership renewals directly to SNA in care of a bank lockbox. Payments are processed and then forwarded on to SNA. All states are required to participate in the Direct to National program, by a vote in 2005 at the SNA House of Delegates meeting, amending the Standing Rules to require it.

**III. OBLIGATIONS OF SNA**

**How will SNA notify the State Affiliates when there is a change in any support currently provide by SNA? Will the Agreement need to be resigned?**

If a new area of support is provided by SNA, a State Affiliation Agreement memo will be sent to the State Presidents, Presidents-Elect and State Association Executives/Staff to notify them of the change.

**Do State Affiliates need to have the same mission statement as SNA?**

A State Affiliate is not required to have the same mission statement as SNA, especially if the State Affiliate already has a mission. Instead of spending time and resources in defining a mission that is similar to SNA’s, State Affiliates are encouraged to use SNA’s mission and to spend strategic planning time and resources on developing the State Affiliate’s goals, objectives and strategies for its Plan of Action.

**IV. OBLIGATIONS OF STATE AFFILIATE**

**How do I find the State Affiliate’s tax ID #?**

Federal:Known as the Employer ID # (EIN) can be found:

1. If an EIN was used to open a bank account, or apply for any type of state or local license, an authorized person can contact the bank or state agency to retrieve the EIN.
2. Find a previously filed tax return for the organization. The previously filed return will have the EIN number on it.
3. Ask the IRS to search for your EIN by calling the Business & Specialty Tax Line at (800) 829-4933. the hours of operation are 7:00 a.m. - 7:00 p.m. local time, Monday through Friday.

State: An authorized person can contact the local department of taxation and finance, comptroller’s office or the office of revenue.

**What if the State Affiliate does not know the association’s corporate and tax status?**

A State Affiliate’s federal IRS exemption status will be either a 501 (c)(4) Social Welfare organization, 501 (c)(3) Charitable organization, or 501 (c)(6) Business leagues; the State tax status should be “non-profit corporation”. To find this information:

Federal: An authorized person should contact the IRS Tax Exempt and Government Entities Customer Account Services at (877) 829-5500. If you prefer to write, use this address:

Internal Revenue Service  
Exempt Organizations Determinations  
P.O. Box 2508  
Cincinnati, OH 45201

State: An authorized person can contact the local department of taxation and finance, comptroller office or the office of revenue.

**Can the State Affiliates use SNA Headquarters’ federal or state tax ID#?**

No. Each nonprofit and State Affiliate is a separate legal entity and must have their own state and federal tax Id #. IRS Publication 557, *Tax-Exempt Status for Your Organization*, is a resource to assist with many of the federal tax exemption questions. <https://www.irs.gov/pub/irs-pdf/p557.pdf>

**What are considered “organizational documents”?**

Organizational documents include the State Affiliate’s Articles of Incorporation and Bylaws.

**What permits, licenses, and governmental approval does the State Affiliate need to file taxes and by when?**

Federal: The IRS requires every non-profit group to file annual exempt organization returns on Form 990. The annual level of financial activity determines which 990 form must be filed:

|  |  |
| --- | --- |
| **Status** | **Form to File** |
| Gross receipts normally ≤ $50,000  **Note:** Organizations eligible to file the *e -Postcard*  may choose to file a full return | 990-N  (e-Postcard) |
| Gross receipts < $200,000, and  Total assets < $500,000 | 990-EZ or 990 |
| Gross receipts ≥ $200,000, or  Total assets ≥ $500,000 | 990 |

State: Individual states have different filing requirements and this information can be found by contacting the local department of taxation and finance, comptroller’s office or the office of revenue.

**Why does the Agreement require the State Affiliate to have a minimum of $1,000,000 in insurance coverage?**

A minimum of $1,000,000 per occurrence in general liability, association, and directors’ and officers’ coverage, and a like amount in umbrella coverage, is required because it is generally the minimum standard business insurance coverage that underwriters require today.

**How does the State Affiliate obtain the necessary insurance?**

It is best to discuss business insurance requirements with a local insurance provider in your state. The most common types of business insurance needed by a non-profit organization includes:

* Directors’ and Officers’ Liability
* Commercial General Business Liability
* Event Cancellation
* Business Property

**What if the State Affiliate cannot afford the necessary insurance?**

Insurance is one of the general costs of operating a business today and is not an option. We live in a litigious society and even if you think you’re unlikely to face a claim, getting insurance is a wise investment that doesn’t cost much, depending on your line of business and coverage needs. The cost of coverage is certainly a lot less than the thousands, if not millions, of dollars you may need to spend fighting a case in court.

General liability insurance can be purchased on its own, but it can also be included as part of a Business Owner’s Policy (BOP) which bundles liability and property insurance into one policy. Purchasing separate policies from different insurers can result in higher total premiums. A BOP combines typical coverage options into a standard package, and is offered at a premium that is less than if each type of coverage was purchased separately. Typically, BOPs consist of covering property, general liability, vehicles, business interruption and other types of coverage common to most types of businesses. BOPs simplify the insurance buying process and can save you money. However, make sure you understand the extent of coverage in any BOP you are considering. Not every type of insurance is included in a BOP. It is best to contact multiple insurance companies to obtain comparative bids for affordable insurance coverage.

**Does the State Affiliate need to submit proposed bylaws amendments to SNA for approval? What is the procedure for doing so?**

With the introduction of the State Affiliation Agreement, SNA is introducing a new service to assist State Affiliates in amending and maintaining their bylaws to ensure that any proposed bylaw amendments do not conflict with any SNA bylaws. State Affiliates should submit any proposed bylaw amendments with a request that the proposed bylaw amendments be reviewed for conformity with the SNA bylaws, organization documents and policies. The State Affiliate must allow 45 days for SNA to review the proposed bylaws and provide comments or revisions. A request, along with a copy of a State Affiliate’s current bylaws and the proposed bylaws amendments should be sent to SNA to the email address: StateSupport@schoolnutrition.org.

**My State Affiliate is using its own logo and tagline. Do State Affiliates need to start using the SNA logo?**

SNA will provide an addendum to State Affiliates which currently utilize state-designed logos and want to continue to do so. The addendum will allow for the State Affiliate to continue using this logo, with the understanding that the State Affiliate will use it in conjunction with a special “State Affiliate of SNA” logo and tagline provided by SNA.

**How do State Affiliates get the SNA-created logo for our state association?**

Contact the SNA State Affiliate Relations Manager at StateSupport@schoolnutrition.org or (800) 877-8822, ext. 174. If a logo has already been created, it can be shared with you. If it has not yet, SNA will provide.

**Can State Affiliates use the SNA logo to promote SNA National and its programs and services, such as in a link to SNA National website on our website or in our SNAC Bites section of the newsletter?**

Yes, so long as the logo is being used within the SNA logo guidelines and SNA has approved the specific usage by the State Affiliate.

**Does the State Affiliate need to strictly follow SNA’s Strategic Plan/Annual Plan of Action when creating its own?**

No. SNA’s Strategic Plan and Annual Plan of Action (POA) should be used as a guide for a State Affiliate’s POA. However, there is room for flexibility and you may focus on state-specific endeavors which meet your mission, goals, and resources as needed.

**Can a State Affiliate still take on state-specific public policy positions?**

Yes. State Affiliates may develop positions on state-specific public policy issues and advocate on behalf of state members. The positions taken by the State Affiliate may not, however, conflict with the positions taken by SNA.

**Do state-specific policy positions need to be pre-approved by SNA?**

No, they do not need to be pre-approved by SNA, but please share the position with SNA so that we are aware if contacted by the media or asked about the initiative by Hill staff, etc. SNA may also share the initiative with other State Affiliates via newsletters and other communications.

**What if my State Affiliate uses a different leadership year than SNA’s August 1-July 31 and we cannot provide the necessary documents/information by the deadline?**

There is flexibility worked into the Agreement which allows you to work directly with SNA on a timeline that fits your State Affiliate’s leadership year.

**Do the membership requirements listed for the state board members apply to corporate/industry members or just the School Nutrition operator members?**

This requirement does not apply to industry representatives serving on the state board. While some industry companies sell nationwide, SNA understands that many only sell within the state or region and that, therefore, SNA National industry membership does not apply to all industry representatives who may serve in this capacity.

**What if State Affiliate’s board of directors disagrees with a national public policy position of SNA?**

SNA understands that its State Affiliates may not always agree with national policy positions, as circumstances vary from district to district and state to state. As members of the State Affiliate board of directors representing SNA, board members may not speak out publicly against a national public policy position. If asked, it is best not to comment. However, State Affiliate boards are encouraged to reach out to SNA National with any questions or concerns regarding a public policy position at any time

**V. INTELLECTUAL PROPERTY AND PROPRIETARY INFORMATION**

**What are the current SNA practices regarding sharing addresses and email addresses of members? Is this information always confidential? What are the restrictions?**

Currently, SNA sells mailing lists, which do not include email addresses, to industry and publishes SNA conference attendee rosters which include the names, business addresses and email addresses for members. Given growing concerns in our country today regarding privacy and over data breaches, SNA is taking a closer look at its current practices to safeguard SNA’s member data. State Affiliates with any questions or concerns regarding the use of member data should contact the SNA State Affiliate Relations Manager at StateSupport@schoolnutrition.org or (800) 877-8822, ext. 174.

**What information do State Affiliates receive from SNA that is confidential?**

Membership, certificate and SNS credential information are confidential. For instance, a member’s address and phone number are only for use to communicate to the individual for SNA related activities and should not be shared or distributed. To help maintain the privacy of membership information, SNA limits the number of state leaders from each state who have access to this information on the web portal where membership and certificate and credentialing information can be obtained.

**VI. RELATIONSHIP OF PARTIES**

**What does it mean that SNA and State Affiliate are separate corporate entities?**

The “No Agency” provision included under Section VI. Relationship of Parties of the Agreement is in the Agreement to make it perfectly clear that SNA and the State Affiliate expressly acknowledge and agree that SNA and the State Affiliate are, and intend to remain separate corporate entities and as such will not incur any liability, obligation or expense on behalf of each other. In addition, the Agreement does not and will not be interpreted to create any joint venture, partnership or subsidiary relationship between SNA the Affiliate.

**What does the “No Agency” provision in the Agreement mean?**

The “No Agency” provision included under Section VI. Relationship of Parties of the Agreement means that neither SNA nor the State Affiliate will be authorized to bind or obligate the other or to act as agent on the other party’s behalf. For example, the SNA of Georgia could not request a proposal and sign a contract with the Georgia Aquarium to hold an SNA sponsored event during 2017 ANC.

**VII. INDEMNIFICATION**

**What does indemnification mean?**

Indemnification is included in most business contracts and agreements today. In the Agreement, it appears in Section VII and is a promise by the State Affiliate to SNA to cover any loss to SNA if the State Affiliate does something that causes harm or causes a third party to sue SNA.  The key words are “indemnify”, “hold harmless”, and “defend”.  “Indemnify” and “hold harmless” mean the same thing — to make whole after causing a loss.

**If someone sues SNA National, will the State Affiliate be a part of the lawsuit? What about vice versa?**

SNA National and the State Affiliate are separate legal entities. The indemnification clause outlines the fact that if one entity is sued, etc., the other entity will not be held liable.

**VIII. REVOCATION AND SURRENDER OF AGREEMENT**

**Under what circumstances can SNA immediately terminate the State Affiliation Agreement?**

Such language is included in most business contracts or Memorandums of Understanding (MOUs) today to protect both parties. This is not something SNA foresees doing. For example, however, if a State Affiliate decided to expand their mission beyond school nutrition to include the healthcare sector, prisons, and/or colleges/universities, SNA would need to decide if the State Affiliate’s new mission still aligns closely with the mission and vision of SNA, as outlined in the State Affiliation Agreement.

**What would the State Affiliate lose if SNA terminates the Agreement?**

The State Affiliate would no longer be able to use the School Nutrition Association name and logo, would no longer receive the support of SNA National or have the benefit of being a part of the larger, nationwide professional association representing the school nutrition profession.