
ACC CHICAGO NEW BOARD MEMBER ORIENTATION

TO: [REDACTED]
FROM: LISA CARRERAS
SUBJECT: NEW BOARD MEMBER ORIENTATION
DATE: JANUARY 25, 2023
CC: [REDACTED]

Welcome, new board members!

The outline below is designed to give you some important information about ACC Chicago with a view toward helping you acclimate to your new role as a Director of ACC Chicago. We will discuss many of these items at a Zoom new board orientation (date TBD). However, given the volume of information, we thought it would be useful to provide it in written form for your advance review and later reference.

I. ACC Chicago Basics

A. Organization

The ASSOCIATION OF CORPORATE COUNSEL CHICAGO (“ACC Chicago” or the “Chapter”) is incorporated as an **Illinois not-for-profit corporation**. It is file number 63782955 with the Illinois Secretary of State. As a board member, your name and address may be filed with the Secretary of State as required. ACC HQ (defined in Article II below) handles our annual reporting in collaboration with us.

B. Not-for-Profit Status

Formation as a not-for-profit corporation does not confer actual tax-exempt status; however, as part of the global ACC organization, we are also a tax-exempt **501(c)(6) organization** (exempt purpose is to promote the common business of its members). Note that this tax exemption differs from a classic 501(c)(3) charitable organization. **We are required to pay sales taxes** where applicable. Also, individuals or organizations donating funds to us do not receive tax deductions for charitable contributions (although they may be deductible as trade or business expenses). ACC HQ handles our tax matters.

C. Articles of Incorporation

Our Articles of Incorporation, as filed with the Secretary of State, are attached.

D. Bylaws

Our Bylaws are attached. No changes to Bylaws can be made without the consent of ACC HQ.

E. Directors

Per our Bylaws, ACC Chicago shall have no less than seventeen and no more than twenty-two Directors. Each is elected for a **two-year term** that typically begins on January 1. No Director may serve more than **three consecutive terms** without at least a one-year hiatus from board service; provided, however, that a Director who has served as President during his or her last year of eligibility may continue to serve one additional year to fulfill the role of Immediate Past President. **One half of the Directors in office constitute a quorum**, and a majority of those present at a meeting is generally needed to pass a motion.

F. Officers

Per our Bylaws, we have the following Officers: President, President-Elect, Treasurer, Secretary, Marketing Director, Membership Director(s), Programs Director(s), Community Director and Immediate Past President. Together, they comprise the Executive Committee.

G. Committees

Per our Bylaws, we have 12 formal board committees: the Executive Committee, the In-House Counsel Celebration Event Committee, the Membership Committee, the Finance Committee, the Program Committee, the Governance Committee, the Diversity Summer Internship Committee, the Community Outreach Committee, the Publicity Committee, the Pro Bono Committee, the Street Law Committee and the Elections Committee. Each committee must have at least two Directors and a majority of the committee members must be Directors. In addition to voting members of committees, other volunteers may help a committee carry out its work, and these volunteers are not considered when determining whether a majority of the membership of a Committee is Directors.

II. ACC Chicago as a Chapter of ACC

As a chapter of the global Association of Corporate Counsel (“ACC”) we receive many benefits but are also subject to a variety of requirements emanating from the ACC headquarters in Washington DC (“ACC HQ”).

A. ACC HQ Requirements

Please see the attached ACC HQ document entitled “Running Your Chapter-Requirements for Active Chapters.” While a full review of the document is useful, it is worth highlighting some key requirements and prohibitions to which the Chapter is subject. Some of these issues may arise in the course of considering new initiatives and should always be kept in mind:

1. Because it is in our mutual best interests to avoid competition within ACC, chapters must first consult with ACC Headquarters before committing to:
 - a. Co-sponsorships with national or global organizations that compete with ACC for members or sponsors;

- b. Chapter events or programs (excluding regularly scheduled CLE programs) that compete with ACC's global programs (webcasts, Annual Meeting programs, and the like) due to content, timing or location; or
 - c. Chapter partnerships or initiatives that compete with ACC's global services, publications, and products (ACC *Docket*, ACC Surveys, Legal Resources).
2. Chapters may not agree to co-brand or endorse a program with a national or global third-party organization or with any organization if the event will be marketed outside of the chapter's general area. For additional information, see the attached ACC HQ policy on co-sponsorship.
 3. Chapters must not hold a webcast on the same topic within ten business days as a global webcast.
 4. Chapters can take positions on local issues consistent with the ACC HQ Criteria for Policy Development, but in no event can a chapter take a position inconsistent with an existing ACC HQ policy.
 5. Chapters shall not enter into any joint ventures without the written permission of ACC HQ.
 6. ACC has a license agreement governing the use of ACC trademarks. Each chapter must sign the licensing agreement with ACC for the use of the trademarks, brands, and logos (collectively "ACC Trademarks") and shall not, at any time, use the ACC Trademarks in any manner which violates the terms of the licensing agreement or in a manner which is contrary to the instructions regarding the use of the ACC Trademarks as contained in any ACC style-guide or as directed by ACC HQ. ACC HQ must approve chapter logos in advance.
 7. A chapter may not sell its membership list nor grant access to, or otherwise provide contact information for ACC membership to third parties without the permission of ACC HQ and use of a signed mail list agreement in the appropriate circumstances.
 8. Chapters should communicate with members regularly regarding in-house job openings within their regions; however, openings promoted by headhunters, recruiters and other vendors should not be promoted by the chapter unless the position is also listed on ACC's *In-House Jobline*.
- B. Benefits Provided by ACC HQ

As an ACC member, many benefits provided by ACC HQ are readily apparent, for example access to the ACC website, attendance at the Annual Meeting and membership in committees. However, the Chapter benefits from a number of other less well-known advantages. You can find out more about these resources in an excerpt from the Chapter President's Manual entitled "Resources

from ACC Headquarters” (available in the Volunteer Resources section of the ACC website). Important resources include:

1. Reports/Information - ACC HQ provides a variety of chapter reports and communications, including monthly membership reports. You should begin receiving emails from ACC HQ specifically addressed to chapter leaders.
2. Leadership Development Institute (“LDI”) – These training sessions are held twice a year usually in October (at the annual meeting) and April and are hosted by ACC for all Chapter, and Committee leaders free of charge. The sessions cover leadership succession, board development, motivating volunteers, recruiting members, managing your chapter administrator, and other topics identified by Chapter leaders. **This year we will be in New Orleans May 18-19 and San Antonio probably on October 22.**
3. Chapter Websites – Housed within the ACC website, each chapter hosts its own web page(s). Mostly self-administered through a template, chapters may post a calendar of events, list of Officers, current news, new members, news about members, related links, sponsor information, and other items of interest. Chapters even have the ability to sell banner ads on their chapter webpages. Note that chapters may not maintain a website separate from **www.acc.com**.
4. [Volunteer Leader Resources](#) – Housed within the ACC website and accessed with only your standard ACC login, chapter leaders will find sample letters/documents, roster/ mailing labels as mentioned above, membership retention tips, sponsorship guidelines, the chapter presidents manual, sample newsletters, chapter roster, a guide for developing public relations, advocacy manual, required forms, award program guidelines, and much more.
5. Membership Materials – Membership brochures, applications, recruitment flyers, and ACC Dockets are available to chapters to assist in recruitment efforts.
6. File Sharing – some of our committees use Google for document storage. For the Board you will be able to find some resources in this file. Take a look and familiarize yourself with the documents here, they should be self-explanatory. https://drive.google.com/drive/folders/0B_N0H-5shmJaTlcwaGhWQ1I2eVU?usp=sharing
7. Global Support – ACC HQ is a resource for each chapter. The major responsibility of the ACC Chapter Relations staff is to facilitate the success of each chapter leader, thereby ensuring each chapter is meeting its goals of serving ACC members on a local level. In addition, ACC staff acts as a clearinghouse of ideas, suggestions, and materials from the various ACC chapters.

8. Chapter of the Year Awards - The ACC Chapter of the Year Awards were created to recognize chapters and their leaders for outstanding efforts and achievements. Chapters, based on membership size small (up to 250 members), medium (251-800), and large (801+) are recognized for excellence in membership, programs and special projects.

III. Formal Chapter Policies

A. Conflicts-of-Interest Policy

ACC HQ requires that the members of chapter boards sign a conflict-of-interest statement to ensure that they conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities. Please see the attached policy adopted by ACC Chicago. You will be asked to sign the attached annual statement of conflicts-of-interest (available at Board Retreat).

B. Records Retention Policy

ACC HQ requires that chapters adopt a records retention policy with certain minimum retention periods. Please see the attached policy adopted by ACC Chicago.

C. Investment Policy

ACC HQ recommends that chapters adopt an investment policy. Please see the attached policy adopted by ACC Chicago.

D. Policy on Reimbursement of Board Members

ACC Chicago has adopted a policy that covers reimbursement of certain limited expenses incurred by board members in connection with board service. Please see the attached policy for specifics.

E. Policy on Reporting Illegal and Unethical Activities

ACC Chicago has adopted a policy on reporting illegal and unethical activities. Please see the attached policy for specifics.

F. Policy on Nominations and Elections

ACC Chicago followed the attached process for its nomination and election of 2023 Officers.

G. Board Engagement Guidelines

ACC Chicago expectations for Board Members are attached.

IV. Financial and Technical Issues

A. Funding Basics

ACC Chicago receives funding from two sources – dues rebates from ACC HQ and our sponsorship program.

1. Rebates - All ACC chapters are entitled to a membership rebate equivalent to \$30 for every new and renewing member in the individual categories and \$15 for every corporate member allocated to the Chapter (new this year). Every quarter, ACC sends to the Chapter Treasurer (or a designee – ours goes directly into our checking account) a rebate check/wire. In addition to membership rebate funds, this check may include other small miscellaneous amounts that will be detailed in the cover letter notification. The check may also contain deductions for that quarter's expenses. Expenses charged back to Chapters include items such as conference call/Zoom account charges, quarterly newsletters, and overnight mail fees. Rebate checks will be withheld if a Chapter does not file its annual financial report or Chapter activity report with the ACC Headquarters on time.
2. Sponsorship Program - The sponsorship program is discussed in the sponsorship section below, but it is important to bear in mind that this program provides the vast majority of the Chapter's total revenue and is critical to our mission.

B. Reporting Details

1. Chapters must operate on ACC's fiscal year (10/1–9/30) and make reports on a cash (rather than accrual) basis.
2. Required Reports —Chapters must submit the following annual reports to ACC Headquarters:
 - a. Chapter Leadership Reporting Form (providing names of Officers and Directors) (due within 10 days after any election of Officers or Directors);
 - b. Annual Financial Report (reporting on chapter finances - due early November); and
 - c. Chapter Budget (due early November with Annual Financial Report). Note that chapter budgets must be re-submitted to ACC Headquarters after any material change in the overall chapter budget.
3. The Chapter Treasurer presents financial information at each ACC Chicago board meeting.

C. Insurance

General Liability for U.S. Chapters - ACC maintains a general liability insurance policy for all U.S. and Canadian chapters. The primary policy provides protection for incidents such as slip and falls and host liquor liability insurance with limits of \$1,000,000 per policy year. ACC also maintains an umbrella policy for U.S. and Canadian chapters in the amount of \$9,000,000. In the past, when certain U.S. chapters have held events at the third-party locations, the third party (hotel,

member's company, museum, etc.) has requested a certificate of insurance. Requests for certificates of insurance should be send directly to ACC HQ and potential claims should be reported to ACC immediately. The policy information is listed below:

Base Policy: Travelers Insurance Co. \$1,000,000

Umbrella Policy: Chartis \$9,000,0000

Director and Officer Liability Insurance for all ACC Volunteer Leaders and Insurance Requirements for Administrators - ACC maintains \$10,000,000 Directors and Officers' liability insurance. This policy extends to all ACC volunteer leaders. It does not extend to chapter administrators or executive directors who are hired as paid independent consultants. ACC requires all chapter administrators hired as independent consultants to carry professional liability insurance if applicable and demonstrate proof of insurance within 30 days of contract renewal. Chapter administrators should consult an insurance company for an individual risk assessment and determine if and at what level of insurance may be necessary.

ACC may reimburse individuals covered by the Directors and Officers' liability policy for the deductible of the liability policy when the chapter lacks the necessary resources to do so on its own. Below is the policy information and some FAQs about the policy. For more specific questions, please contact ACC HQ.

Base Policy: CNA Insurance Co. \$5,000,000

Deductible: \$50,000

Umbrella Policy: Travelers Insurance Co. \$5,000,000

Crime Insurance - ACC's Crime Insurance protects the chapter against dishonesty, fraud, embezzlement, etc. perpetrated by employees, independent consultants and volunteer leaders.

Travelers Insurance Co., Policy No.: 105557058, \$10,000,000

Deductible: \$50,000

D. Miscellaneous

1. Chapters must not provide rebates/dividends to members or provide any compensation or benefits to chapter Officers or Directors. In addition, chapters must not engage in financial transactions with Officers or Directors or other insiders without prior guidance from ACC Headquarters.
2. In the past, we have received requests for donations to charitable organizations. While there are occasionally reasons to grant these requests in connection with the Chapter mission, these requests should be reviewed carefully in conjunction with ACC HQ's statement on charitable donations.

V. Sponsorship

A. Sponsorship Program Basics

The Chapter sponsorship program is the primary source of revenue that supports all activities of the Chapter. Pursuant to the program, we accept sponsors on an annual basis for a programming year of February 1 – January 31. The sponsors pay a one-time fee based on the tier of premier sponsorship – Diamond, Platinum, Gold, Silver (these four constitute Premier Sponsors), Summit or One-Time Event (Individual). In exchange, we grant them a suite of benefits that vary by sponsor type. The Premier Sponsors all receive tickets to the Celebration Event. All premier sponsors receive the right to host, at their expense, an MCLE program. When you have an opportunity, consider reviewing the sponsorship package materials which are attached.

B. Sponsorship Program Nuances

As board members, we can do a lot to make the sponsorship program successful. While we discourage sponsors from overtly marketing to our members during ACC events, we can encourage members to consider using sponsors when they need outside counsel. We assist sponsors by helping them select timely MCLE programming topics and helping to recruit in-house speakers for program panels – something we encourage whenever possible. We also attempt to give our sponsors a certain amount of exclusivity and additional benefit opportunities (as appropriate to the sponsorship tiers). As a result, we always try to consider the impact on our sponsors of undertaking new forms of programming or new third party relationships.

VI. Membership

A. Membership Basics

As a bar association, the entire ACC organization is focused on members and their needs. When an in-house lawyer joins ACC, they are automatically assigned to a chapter based on zip code. ACC Chicago is the chapter for the state of Illinois (but for certain zip codes in the St. Louis area). The difficulty of serving downstate members is one with which the board wrestles. ACC Chicago currently has about 2200 chapter members.

B. Membership Criteria

1. ACC membership is open only to lawyers who practice law as employees of private-sector organizations and who do not hold themselves out to the public for the practice of law. Given the access to in-house lawyers provided by ACC, there have often been abuses of membership eligibility. ACC HQ will pursue those abuses.

C. Membership Forms

ACC membership can take four different forms.

1. [Individual Memberships](#) – Membership can be obtained by joining on the ACC website. The memberships are tiered based on country of residence as determined by the [World Bank's Indicators of Gross National Income](#).
2. [Corporate Memberships](#) - ACC offers savings for departments who enroll 9 or more in-house counsel through our corporate membership packages. Each participating member receives individual membership benefits and the department receives reduced pricing and the ability to schedule an on-site program.
3. [In-Transition](#) or [Retired](#) - Another benefit of ACC membership is the opportunity to continue membership at a reduced price if you lose your in-house position. Offered to existing members only, ACC will waive dues for up to one year, and offer a reduced membership rate for up to an additional two years for members displaced but actively seeking a new in-house position. Many in-transition members are unaware of this benefit and usually appreciate being made aware of it by Chapter board members. Non-ACC members actively seeking in-house positions may join ACC in transition for US\$399 annually but must meet eligibility guidelines. Retired ACC members may continue their membership at a reduced rate of US\$95 annually.

VII. Chapter Executive Administrator and Other Paid Chapter Support

Lisa Carreras, through her company LVC Administration, is our Chapter Executive Administrator. She handles all Chapter event planning, financial management (in conjunction with the Treasurer), and general administration. Lisa works under contract as an independent contractor and does not have set hours. However, she can be contacted by phone at (815) 464-8336, (815) 474-0434 (cell) or by email at Chicago@accglobal.com and responds quickly to inquiries.

Liang Ge is our Marketing and Administrative Consultant. Liang joined ACC Chicago in early 2020 and is working with us part-time on an hourly basis. Her projects are generally managed by Lisa and include branding, positioning, communications, ads and marketing strategy/plans. She may be reached at Chicagomktg@accglobal.com.

Maribeth McNitt (Marny) is our MCLE Support Assistant. Marny joined ACC Chicago in the summer of 2020 and works with us part-time on an hourly basis. Her projects are managed by Lisa and generally revolve around CLE tracking, uploading and research. She may also be available to work on other administrative projects. She attend the Summit to assist with onsite duties. She may be reached at Chicagosupport@accglobal.com.

Conclusion

While we cannot hope to cover everything you might need to know for your new role, we hope this has been a useful overview. If you have further questions, please do not hesitate to contact any of us. Again, welcome!