

Process to Revise the Standard Terms & Conditions for Affiliation

Relevant Bylaw Excerpt:

Section 2.1 Chapters as Members. The Members of the Corporation shall be those nonprofit organizations that meet the qualifications and requirements to be an affiliated State Chapter or Local Chapter of The Arc as set forth in these Bylaws and as further described in written **Standard Terms and Conditions for Affiliation established in the manner described in Section 9.4 of these Bylaws.** A Member of the Corporation is hereinafter referred to as “Chapter of The Arc” or “Chapter.”

Note: the bylaws numbering is inaccurate and needs to be revised.

10.4.1 Adoption and Revision. The Standard Terms and Conditions for Affiliation and Chapter Dues Methodology **shall be developed, and may be revised, by the Board of Directors utilizing a process that provides substantial opportunity for input and participation by Chapters of The Arc.**

10.4.1.1 **The Standard Terms and Conditions for Affiliation as adopted by the Board of Directors, or as revised, shall be presented for approval by Chapters of The Arc, without further amendment, at the annual meeting or any special meeting called for that purpose.**

Revisions to The Standard Terms & Conditions for Affiliation

Plain Language Summary

What This Document Is About

This document explains the relationship between The Arc of the United States and each state or local chapter of The Arc. It describes what The Arc agrees to do, what each chapter agrees to do, and what both agree to do together.

Separate Organizations

The Arc of the United States and each chapter are separate nonprofit organizations. Each one has its own board, staff, volunteers, money, programs, and responsibilities. One organization cannot make decisions for the other unless there is clear written permission.

Chapters must make it clear to the public that they are separate from The Arc of the United States. This helps avoid confusion about who is responsible for chapter programs, services, employees, volunteers, and operations.

What The Arc of the United States Agrees To Do

The Arc of the United States agrees to act as the national organization for the federation. This includes supporting the mission of The Arc, leading federal advocacy, providing public education, protecting the brand, raising funds, supporting chapters, developing programs, and helping coordinate state-level advocacy when possible.

The Arc also agrees to follow its governing documents and applicable laws, operate ethically, communicate with chapters, respond to reasonable requests for information, and help with disputes between chapters when asked.

What Chapters Agree To Do

Each chapter agrees to follow The Arc's bylaws and these Terms and Conditions. Chapters must stay in good standing as nonprofit organizations, follow their own governing documents, obey applicable laws, and follow strong ethical standards.

Chapters also agree to pay affiliation dues, sign and submit the affiliation terms each year, and provide updated contact information for key leaders. Chapters must offer membership opportunities and share membership information as required.

Chapters must run programs and activities that support The Arc's mission, values, guiding principles, and position statements. Local chapters must stay affiliated with their state chapter when one exists. Chapters must also respond to reasonable requests about complaints, reputation concerns, or affiliation requirements.

Branding and Public Identification

Chapters must clearly identify themselves as chapters of The Arc while also making clear

that they are independent organizations. Chapters should use approved logos and follow The Arc's rules for using its name, trademarks, and other materials.

Shared Responsibilities

The Arc, state chapters, and local chapters agree to work together in a spirit of cooperation, transparency, and mutual support. At the same time, each organization remains legally and operationally separate.

Each organization should keep appropriate records and follow nonprofit best practices. Chapters may be asked to provide financial information when needed to confirm that they continue to meet affiliation requirements.

Responsibility for Claims or Problems

Because The Arc and each chapter are separate organizations, one organization is not responsible for the actions, costs, or legal problems of another. If a chapter's actions lead to a claim, cost, or legal issue involving The Arc, the chapter agrees to protect The Arc from those costs to the fullest extent allowed by law.

Annual Agreement

Each chapter must review and sign these Terms and Conditions each year. By signing, the chapter confirms that it understands and agrees to follow the requirements for affiliation with The Arc.

FAQs: Proposed Revisions to the Standard Terms & Conditions

What is the purpose of the proposed 2026 revisions?

The affiliation agreement has not been updated since 2013. The NCE Steering Committee and The Arc of the US agreed the relationship between The Arc and its Chapters should be modernized and clarified. The 2026 draft strengthens transparency around legal separateness, updates governance and reporting expectations, removes outdated provisions, and aligns the terms with current nonprofit best practices.

Does the new draft change the legal relationship between The Arc and Chapters?

The underlying relationship is unchanged. The 2026 draft adds a clear, standalone section confirming that The Arc and its Chapters are separate, independent 501(c)(3) organizations, and that neither has authority to act for or bind the other.

How should Chapters describe themselves publicly under the new Terms?

Chapters are encouraged to describe themselves as independent organizations affiliated with The Arc, and to use clear public-facing language that reinforces this independence.

Does the 2026 draft change The Arc's role or responsibilities?

No. The Arc's national functions; advocacy, education, brand stewardship, fundraising, and chapter support, remain the same but are presented more clearly. The 2026 draft also adds explicit commitments to communications support and dispute-resolution assistance.

What new expectations apply to Chapters?

- Adhere to explicit ethical standards
- Pay affiliation dues by December 31, or have a good-faith payment plan in place to avoid disaffiliation
- Provide required Chapter contacts (CEO/Executive Director and Board President); other positions are optional
- Continues membership reporting within a simplified framework

Are reporting requirements increasing?

Overall, reporting is simplified, not expanded. Shared obligations reinforce record-keeping expectations consistent with best practices and, where required, audits. The Arc may request financial information only to confirm eligibility for affiliation, not to exert operational control.

What changed regarding membership?

The Associate Member category has been eliminated. Chapters may continue to support Individual Membership, if they choose, under updated and streamlined requirements.

How does the 2026 draft handle membership data?

The Terms move from listing specific permitted uses to a modern approach focused on sharing membership information and providing access to a shared membership database. This supports collaboration while reducing unnecessary detail.

Are trademark and branding rules changing?

No. Trademark, intellectual property, and confidentiality requirements remain consistent with the prior agreement and continue to be governed by existing trademark licenses and intellectual property provisions.

What is new about indemnification?

A new Indemnification section clarifies separateness and requires Chapters and The Arc of the US to indemnify each other (including officers, directors, and employees) for claims arising from the other's actions.

Is annual affirmation required?

The 2026 draft introduces an annual review and attestation to affirm ongoing compliance with the Terms.

Who must sign the agreement?

The agreement must be signed by the Chapter's Board President and CEO/Executive Director to formalize accountability at both governance and management levels.

This FAQ is a summary for convenience and does not replace the full Standard Terms and Conditions for Affiliation.

Full Text of Proposed Revisions

The document below includes all the changes as it would appear if adopted at the annual business meeting.

The Arc Standard Terms and Conditions for Affiliation

Preamble

WHEREAS, The Arc of the United States, Inc. ("The Arc") is a national nonprofit organization that organizes, leads, and supports a nationwide federation of nonprofit charitable organizations committed to protecting and promoting the human rights of people with intellectual and developmental disabilities ("I/DD") and to providing supports and services that assist them to be included in and fully participate in all aspects of community life throughout their lifetimes;

WHEREAS, The Arc is a Maryland nonstock corporation whose membership is composed of affiliated state and local Chapters of The Arc, as defined in the Bylaws of The Arc of the United States, Inc., as amended from time to time (the "Bylaws");

WHEREAS, the qualifications and requirements to be a Chapter of The Arc are set forth in the Bylaws and further described in these Standard Terms and Conditions for Affiliation (the "Terms and Conditions"), which are also intended to describe the nature and characteristics of the working relationship between The Arc and its affiliated state and local Chapters;

WHEREAS, the Chapters of The Arc have adopted and approved these Terms and Conditions as of _____;

WHEREAS, Chapters of The Arc agree to review and attest to these Terms and Conditions on an annual basis;

NOW, THEREFORE, the following Terms and Conditions are effective as of _____.

I. Relationship Between The Arc and the Chapter

The Arc and each Chapter are separate and distinct organizations recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code, each with its own board of directors, officers, employees, volunteers, and governing documents. Each Chapter is solely and independently responsible for all aspects of its organization, including, without limitation, governance, staffing, supervision of employees and volunteers, financing, fundraising, programs, services, and fulfillment of its purpose, vision, and mission.

The Arc does not have, and shall not be deemed to have, any authority, control, or oversight over the activities or daily operations of any Chapter. Neither The Arc nor any Chapter, nor any of their respective officers, directors, managers, agents, employees, volunteers, independent contractors, or representatives, shall be deemed an agent, partner, employee, or representative of the other for any purpose, nor have authority to bind the other or incur obligations, liabilities, or expenses on the other's behalf.

Each Chapter agrees to clearly and consistently communicate this separateness to the public. Chapters shall include the following disclaimer of separateness on applicable public-facing materials, websites, and client engagement materials, and on employee and volunteer application materials, as practicable: "Each local affiliate of The Arc of the United States is a separate and independent nonprofit organization from The Arc of the United States and is responsible for its own programs, services, and operations. The Arc of the United States does not control or have any oversight over chapter activities, operations or leadership."

II. Obligations of The Arc

The Arc shall conduct its affairs in accordance with its Core Values and Guiding Principles, Position Statements, and Public Policy Agenda. Consistent with available resources, The Arc will carry out the functions typical of a national headquarters for a strong nonprofit federation, including but not limited to:

- Federal public policy advocacy, public education, brand management and marketing, and fundraising;
- Research, program development, chapter development and support, and professional and volunteer development;
- Coordination and support of state level- public policy advocacy.

The Arc will use best efforts, consistent with available resources, to advance the mission, vision, goals, and strategies set forth in its strategic plan and will actively involve Chapters in the development of future strategic plans.

In addition, The Arc commits to the following:

Governance and Operations

- Corporate and Tax Status: Maintain good standing as a nonprofit corporation exempt under Section 501(c)(3) of the Internal Revenue Code
- Corporate Governance: Operate in accordance with its Articles of Incorporation, Bylaws, and governance policies, as amended from time to time.
- Compliance with Laws: Comply with all applicable federal, state, and local laws and regulations.
- Ethical Standards: Develop and adhere to a policy or ethics statement that demonstrates a commitment to uphold the highest standards of integrity,

accountability, and ethical and moral conduct by board and staff and stewardship to maintain public trust.

Membership

- Membership Information Sharing: Provide mechanisms to share information with Chapters regarding individual members who join The Arc nationally and reside within a Chapter's geographic area.
- Membership Database: Maintain a database accessible to Chapters containing membership contact information, regardless of the level at which membership was obtained, subject to restrictions on direct solicitation as referenced in The Arc's by-laws

Chapter Interactions

- Requests for Information: Respond to reasonable Chapter requests regarding The Arc's corporate affairs, programs, and activities.
- Communication: Maintain consistent and effective communication with Chapters.
- Dispute Resolution: Upon request, assist in mediating disputes between state and local Chapters, with notice provided to all affected parties.

III. Obligations of the Chapter

Each Chapter shall conduct its affairs in accordance with the Bylaws and these Terms and Conditions, and shall:

Governance and Operations

- Corporate and Tax Status: Maintain good standing as a nonprofit corporation exempt under Section 501(c)(3) of the Internal Revenue Code
- Corporate Governance: Operate in accordance with its Articles of Incorporation, Bylaws, and governance policies.
- Compliance with Laws: Comply with all applicable federal, state and local laws and regulations.
- Ethical Standards: Develop and adhere to a policy or ethics statement that demonstrates a commitment to uphold the highest standards of integrity, accountability, and ethical and moral conduct by board and staff and stewardship to maintain public trust. Failure to adopt, follow and enforce the ethics policy may result in disaffiliation from The Arc.
- Affiliation Dues: Pay affiliation dues in accordance with the established dues schedule. Failure to pay by December 31, absent a good faith- payment plan, may result in disaffiliation.
- Affiliation Agreement: Annually submit a signed copy of the Standards Terms and Conditions of Affiliation by July 31. Failure to sign the document each year may result in disaffiliation.

- Reporting Requirements: Provide, at least annually to The Arc, current contact information (including name, email and phone number) for the Chapter's CEO/Executive Director and Board President, and optionally for officers, board members, and key staff.

Membership

- Membership: Offer individuals the opportunity to become members of The Arc at the national, state, and local levels, with membership structures and dues determined at each level. A Member is someone who affirmatively supports the purposes of The Arc and pays dues. However, a Chapter may elect to waive the dues requirement
- Membership Reporting: Submit membership information annually for purposes of voting, advocacy communication, and general updates.

Programmatic

- Programs and Activities: Conduct programs consistent with The Arc's Core Values, Guiding Principles, and Position Statements.
- State Chapter Affiliation: Local chapters will maintain affiliation with the applicable state Chapter, if any
- Dispute Resolution: State and local chapters will participate in dispute resolution processes upon request.
- Identification of Affiliation: Clearly and prominently identify itself as an affiliated Chapter of The Arc.
- Requests for Information: Respond promptly to reasonable requests related to complaints, reputational issues, or compliance with affiliation requirements.
- A state chapter shall engage in public policy advocacy and public education consistent with the purposes and objectives of The Arc. A local chapter shall support public policy advocacy at the state and national level, and engage in individual advocacy and public education consistent with the purposes and objectives of The Arc. Chapters are encouraged to work with The Arc to ensure nationwide consistency in these efforts.

Trademarks and Branding

- Public Identification and Brand Clarity: Chapters shall identify themselves as independent organizations affiliated with The Arc in a manner that promotes transparency and avoids public confusion regarding organizational responsibility. Chapters shall use this clarifying language on all public facing materials: "Each local affiliate of The Arc of the United States is a separate and independent nonprofit organization from The Arc of the United States and is responsible for its own programs, services, and operations. The Arc of the United States does not control or have any oversight over chapter activities, operations or leadership."

- Trademarks and Intellectual Property: Use The Arc's name, trademarks, and intellectual property only in accordance with applicable licensing agreements and usage guidelines.
- Branding: Prominently display your chapter's approved logo from The Arc US that identifies the organization as a chapter of The Arc (fully branded or affiliated) on all materials
- Intellectual Property License: Chapters are granted a limited, revocable, non-exclusive license to use materials provided by The Arc solely for official Chapter purposes.

IV. Shared Obligations

Recognizing the interdependence of the federation, The Arc, state Chapters, and local Chapters commit to transparency, cooperation, and mutual support, while maintaining clear organizational and operational separateness.

- Recordkeeping: Each party shall maintain appropriate corporate, financial, and operational records consistent with nonprofit best practices and applicable federal and state legal requirements, including annual financial statements and audits, where required by law.
- Financial Reporting: Each Chapter shall provide The Arc with reasonable financial information upon request, including annual financial statements or filings, solely for purposes of confirming ongoing eligibility for affiliation and compliance with the Bylaws and these Terms and Conditions.

Notifications under this section are intended to foster affiliation integrity and compliance and shall not be construed to create oversight, control, or responsibility for the operations of another party.

VI. Indemnification

The Arc and each Chapter expressly acknowledge and agree that they are separate legal entities and shall not incur any liability, obligation, or expense on behalf of one another. Neither The Arc nor any Chapter, nor their respective members, officers, directors, employees, volunteers, or agents, may act as an agent or representative of the other without express written authorization.

To the fullest extent permitted by law, each Chapter agrees to indemnify, defend, and hold harmless The Arc and its officers, directors, employees, and agents from and against any and all claims, actions, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any act, omission, or activity of the Chapter, its officers, directors, employees, volunteers, or agents.

VII. Attestation

The undersigned has duly executed these Terms and Conditions for Affiliation as of _____, _____ and hereby acknowledges and agrees to the foregoing:

Chapter Name: _____

Board President

Chief Executive Officer / Executive Director
