

AMERICAN ASSOCIATION OF PHARMACEUTICAL SCIENTISTS

OPERATING CONDITIONS OF THE

DISCUSSION GROUP

These Operating Conditions are effective the ____ day of _____, 20____ (the “Effective Date”) and agreed to by the American Association of Pharmaceutical Scientists (“AAPS”), a District of Columbia nonprofit corporation, and the _____ Discussion Group, an unincorporated organization affiliated with AAPS.

1. NATURE OF RELATIONSHIP

1.1 Discussion Group. The discussion group is a separate unincorporated entity affiliated with AAPS that furthers the tax-exempt purposes of AAPS and provides a local forum for interested members in a specified geographic area. AAPS is not liable for the acts or omissions of the discussion group or its members, consultants, or agents. The discussion group is subject to these Operating Conditions (including Attachments), the mission and requirements of the AAPS Articles of Incorporation and Bylaws, and the policies and procedures adopted by the AAPS Executive Council. The discussion group is subject to the same legal restrictions as AAPS with regard to permissible purposes and activities, lobbying activities, a prohibition against engaging in any political activity, and other matters as established by AAPS.

1.2 Organization. The discussion group agrees to comply with certain Procedural Guidelines (set forth in Attachment A), and may also adopt specific program goals, objectives, and unique procedures for its internal operations (set forth in Attachment B, if any). The discussion group’s goals, objectives, and procedures must be consistent with AAPS guidelines, approved by the AAPS Executive Council, and maintained as current at all times in the AAPS materials and files by the discussion group leadership.

1.3 Intellectual Property. The discussion group acknowledges that all AAPS names, logos, copyrights, trademarks, books, records, publications, mailing lists, membership lists, and related material are the sole property of AAPS and that the discussion group may not use such material without the express written permission of AAPS. The discussion group hereby assigns exclusively to AAPS all right, title, and interest, including but not limited to copyrights and all rights subsumed thereunder, in and to materials or property that may be prepared or developed by the discussion group or its volunteers pursuant to these Operating Conditions; provided, however, that the discussion group may copy, revise, distribute, modify, and otherwise use materials created by the discussion group for discussion group purposes, subject to review and approval by AAPS. AAPS hereby grants a limited license to the discussion group to use certain intellectual property of AAPS, such as its name, logo, or copyrights, in accordance with accepted AAPS policies and procedures.

1.4 Confidential Property. The discussion group acknowledges that it may be exposed to certain information, materials, and property related to AAPS that may be considered confidential or proprietary, including but not limited to financial information, trade secrets, written material, membership lists, and mailing lists. The discussion group and its officers agree not to use or disclose, or to cause to be used or disclosed, at any time during or after the effective term of these Operating Conditions, any confidential or proprietary information, materials, or property of the other, except as may be specifically authorized by AAPS.

2. MEMBERSHIP

All officers and at least twenty-five (25) of the discussion group’s members must be members of AAPS. AAPS will verify the membership status of officers and members reported by the discussion group on an annual basis.

3. OBLIGATIONS OF AAPS

AAPS shall to the extent practical assist the discussion group in advertising its activities, sending relevant documents to discussion group officers, and training officers. AAPS may provide other assistance it deems necessary.

4. OBLIGATIONS OF THE DISCUSSION GROUP

The discussion group's obligations include the following:

4.1 Record Keeping and Reporting. The discussion group shall maintain financial records as required by the guidelines adopted by the AAPS Executive Council and shall submit to AAPS on an annual basis a financial report with the twelve-monthly bank statements for the fiscal year, as well as a description of activities the discussion group has undertaken during the year. The financial and activity reports are due to AAPS on November 30 of each year. These financial recordkeeping and reporting obligations are mandated by applicable tax laws and regulations of the Internal Revenue Service and must be complied with by the discussion group without fail.

4.2 Programs. The discussion group shall organize at least one educational program annually that furthers and serves the purposes of AAPS. Prior to conducting any activity, the discussion group shall send to AAPS information on upcoming meetings, conferences, seminars, or other educational activity, as well as copies of other materials describing any planned activities. All such activities, including any uses of the AAPS name, logo, or copyrights, are subject to prior review and approval by AAPS.

4.3 Contractual Authority. All engagements and/or contractual arrangements, including but not limited to contracts to hold or reserve facility or hotel space, are the responsibility of the discussion group. All contracts, agreements, documents, or other obligations executed by the discussion group shall not be signed in the name of AAPS or bind AAPS financially, and shall explicitly disclaim AAPS from any and all liability arising out of such contracts, agreements, documents, or other obligations. In addition, the discussion group shall abide by the provisions of the AAPS Bylaws and all applicable AAPS policies and procedures in performing activities under such contracts, agreements, documents, or other obligations. AAPS is not responsible for the acts or omissions of any parties engaged by the discussion group or for the contractual obligations of the discussion group.

4.4 Insurance. Discussion groups are separate legal entities and as such, requests from facilities for liability insurance must be provided by the discussion group.

5. TERM

These Operating Conditions shall be effective for one year from the Effective Date and shall be renewable automatically for additional one year periods unless terminated by either party in writing within sixty (60) days of the renewal date or if the discussion group has not held at least one educational program for a period of at least one year.

6. REVOCATION OF STATUS

AAPS, through its Executive Council, shall have authority to revoke the discussion group's status at its discretion, including but not limited to if membership in the discussion group falls below twenty-five (25) AAPS members or the AAPS Executive Council determines that the conduct of the discussion group is in violation of these Operating Conditions, the provisions of the AAPS Bylaws, or policies or procedures adopted by the AAPS Executive Council. In such event, the discussion group shall not continue to represent AAPS members in the designated area and all rights to use of the AAPS name, logo, and copyrighted materials shall end.

The representatives of AAPS and the discussion group agree to these Operating Conditions, which are effective until terminated but are reconfirmed annually by the chair of the discussion group.

Approved by the Executive Council in November 2017

Chair

Date

Treasurer

Date

_____ Discussion Group

Executive Director, AAPS

Date

Attachment A
Procedural Guide
of the _____ Discussion Group

1. **Membership.** At least twenty-five (25) members in good standing of AAPS with a total of fifty (50) members are required to maintain status as a discussion group. Any individual whose interests are related to the purposes of the discussion group shall be eligible to join the discussion group, whether or not they are also members of AAPS. All individuals shall apply for membership to the AAPS Executive Director. The AAPS office will maintain the official membership list for the discussion group. All membership requests shall be sent to the AAPS office.

2. **Officers.** The officers of the discussion group shall be a chair, chair-elect, past chair, and a treasurer. These individuals shall constitute the Executive Committee of the discussion group. All officers must be members in good standing of AAPS.

The term of office for all officers shall be one year and each discussion group must establish a succession plan. At the end of his or her term, the chair-elect shall assume the office of the chair, and then past chair. If a vacancy in an office occurs, the discussion group executive committee may appoint a replacement for the remainder of the term of that office.

The executive committee shall be responsible for operating the discussion group on a day-to-day basis and for general leadership of the group.

3. **Duties of Officers.**

A. **Chair.** The chair shall represent the discussion group at AAPS meetings; direct the discussion group and preside at its meetings; appoint executive committee members as necessary; and represent the discussion group at outside meetings and with third parties unless such authority is delegated by the chair to another officer. The chair shall maintain all documents, mailings, program or meeting materials, and all other significant information related to the discussion group and ensure that updated material is shared with AAPS in a timely manner in association with the chair-elect.

B. **Chair-elect.** The chair-elect shall perform the duties of the chair in the absence of the chair, and shall perform such other duties as may be assigned by the Executive Committee.

C. **Treasurer.** The treasurer shall maintain records, finances, and all other significant financial information related to the discussion group and ensure that updated material is shared with AAPS in a timely manner.

D. **Past Chair.** The past chair shall perform such duties as may be assigned by the Executive Committee.

4. **Appointment of Officers.** Officers are appointed by vote from the discussion group's members. The discussion group executive committee shall submit the candidates' names to the members of the group for vote by email ballot, with each member having one vote for each office. A candidate receiving the simple majority of votes shall be elected. If there is only one nominee for any position, the officers may be appointed by the current officers and steering committee.

5. **Steering Committees.** Each discussion group shall have a steering committee that consists of discussion group members appointed by the chair. The discussion group shall recruit members to be active volunteers. AAPS recommends appointing at least three discussion group members to ensure that the discussion group's objectives are fulfilled. All steering committees report to the discussion group chair but should also be prepared to respond directly to AAPS.

6. **Finances.**

A. AAPS shall provide an annual allocation in accordance with the annual budget to the discussion group to further its activities, comprised of a flat amount or a per capita amount based on the number of the discussion group's AAPS members. AAPS may provide additional financial support to the discussion group. The discussion group will annually report to AAPS all other financial information, including revenue it received from other sources, pursuant to the terms of Section 4.1 of the Operating Conditions. Failure to report financial information will result in a loss of the annual allocation.

B. The discussion group shall be included in the AAPS federal tax group exemption. The discussion group shall submit the reports required by Section 4.1 of the Operating Conditions and shall perform additional financial and tax accounting tasks upon the request of AAPS.

C. AAPS requires two approvals on discussion group expenditures. Ideally this will be implemented via two authorized signatures on any check or payment issued. However, approvals of invoices or advance authorization of spending decisions (such as in an approved line item budget recorded in minutes) by two officers in writing will suffice. The two authorized signatories must be from the discussion group officers. AAPS must be provided with proof of this arrangement annually.

Spending authorized by only one individual constitutes a violation of policy. In addition, no payment shall be made by any authorized signatory to themselves. In the case an individual has made an authorized expenditure that requires reimbursement, the reimbursement shall be approved in writing by officers not involved in incurring in the expenditure.

7. **Reports.** At the end of each fiscal year, discussion groups are required to submit the following information to AAPS staff:

- 1) Completed Annual Submission Form
This exemption authorization form serves as the discussion group's request to be included under the group exemption number that AAPS has filed with the IRS on behalf of AAPS discussion groups. Falling under the group exemption relieves discussion groups from the burden of 1) filing required IRS forms and 2) incurring related filing fees to be recognized as a not-for-profit entity.
- 2) Financial Report with Gross Revenue and Expenses (for prior fiscal year)
- 3) Activity Report (for prior fiscal year)
- 4) Proof of compliance that any check made payable by the discussion group requires two authorized signatories on expenditure approvals
- 5) Copies of Monthly Bank Statements (for prior fiscal year)
- 6) Executive Committee Contact List (for the next fiscal year)
- 7) Discussion Group Operating Conditions Signed by the Chair (for the next fiscal year)

Failure to submit reports on an annual basis will be regarded as noncompliance and action will be taken as outlined in these Operating Conditions.

8. **Noncompliance Probationary Period.** AAPS staff will conduct a quarterly review of the status of the discussion group's operations. Failure to comply with any of the discussion group operational requirements will result in a formal letter from staff to the discussion group Executive Committee outlining the area(s) of noncompliance, the actions required for rectification, and the response timeframe. If a discussion group fails to

resolve the noncompliance issue(s) in the terms outlined during the probationary period, then AAPS staff will revoke the discussion group's status under the authority of the AAPS Executive Council.

9. Forming a New Discussion Group. AAPS staff will evaluate requests to form new discussion groups. Interest in the new discussion group will be evaluated based on member interest in the geographical area and requesters will be asked to complete a proposal form. At least twenty-five (25) members in good standing of AAPS with a total of fifty (50) members are required before the discussion group may be formed. AAPS staff will evaluate proposed discussion groups to ensure that they meet the minimum criteria required for approval under the authority of the AAPS Executive Council.

10. Amendments. Any proposed amendments to these Operating Conditions must be in writing and submitted to the membership for vote, and approval shall require a two-thirds vote of the discussion group members and final approval by the AAPS Executive Council.

11. Miscellaneous.

A. Issues not covered by these Operating Conditions will be governed by the AAPS Bylaws and other applicable AAPS policies and procedures.

B. The discussion group may not enter into any contracts or other agreements in AAPS' name or that are financially or legally binding on AAPS without the express written approval of AAPS.