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**Project Management Institute**

# Policies

# Manual

**For Chartered PMI**  
**Components**  
2006 Edition

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## I. WELCOME

Congratulations on your new volunteer position within a chartered PMI® Component. This manual contains information on new and existing policies/resources applicable to your PMI Component (Chapter, Specific Interest Group, College).

Whether you are a newly elected/appointed officer or have been a long-time PMI Component volunteer, PMI Global Operations Center (PMI GOC) hopes that this manual assists you in your role as a PMI Component Leader. Thank you for your valuable time and contributions in furthering PMI's envisioned goal in its strategic plan, "*Worldwide, organizations will embrace, value and utilize project management and attribute their success to it*".

## II. UPDATES TO MANUAL

The PMI Component President/Chair should make sure that they have on file the most current version of this manual.

PMI GOC will make available new policies or any revisions to existing policies through the Component Leadership Online Community for downloading and/or reference.

A copy of this manual is available on the Component Leadership Online Community for all PMI Component leaders to reference or download.

## III. QUESTIONS ON PMI COMPONENT POLICIES

Any questions on PMI's policies may be directed to PMI GOC's Component & Community Relations department or your PMI Component's respective PMI Regional Service Centre.

Please refer to the "Services" section on Component Leadership Online Community for contact information for PMI's Component & Community Relations department staff and PMI's two regional service centres: Europe-Middle East-Africa (EMEA) and Asia Pacific (A/P).

## IV. FIDUCIARY DUTIES AND RESPONSIBILITIES OF NON-PROFIT BOARDS

- ***Components may want to include these standards in their own policies and procedures manual or in a board-training manual.***

PMI leaders have unique responsibilities which foster effective governance, set expectations, assign accountability and reduce liability exposure. In recent years, nonprofit organizations have undergone scrutiny by governmental organizations and the public at large. To maintain integrity and comply with legal standards, component leaders should adopt the following standards.

1) Component leaders have four key duties that they must uphold:

***Duty of care:*** exercise the same level of care over the organization's business as any reasonable person would over his/her personal business;

***Duty of loyalty:*** act in an independent manner and avoid conflicts of interest;

***Duty of good faith:*** comply with and uphold any and all requirements, policies, procedures, rules and orders approved by the organization's governing body; and,

***Duty of integrity:*** act in an ethical manner and conduct business in accordance with accepted business practices.

Leaders who fail to fulfill their duties or who act in ways that directly conflict with their duties may be held responsible for their actions through civil and/or criminal legal action. To protect themselves, leaders should fulfill their fiduciary responsibilities in an appropriate manner.

2) Component leaders must act in a legally and ethically responsible manner. The board should adhere to the following responsibilities to ensure the utmost integrity of the officers and the organization:

- Adhere to local, state/provincial, and federal laws surrounding nonprofit organizations. An organization's Articles of Incorporation and bylaws regulate how the organization conducts its business. Both documents have legal standing, meaning interested parties can challenge the organization and its leaders on their adherence to the organization's governing documents. Also, whenever possible, the governing documents should be as flexible as possible to ensure that the organization is not bound by requirements it may be unable to meet.
- File and make available accurate and timely reports of tax filings. Independent audits of the organization's financial records are also encouraged.
- Maintain records related to business affairs for individuals and organizations. If an organization is challenged about any of its practices – past or current – and cannot produce appropriate documentation to substantiate its defense, the organization and its leaders may be at risk.
- Publish an annual report with the organization's mission, programs, officers and financial status.
- Develop and maintain policies related to the organization's operations, including elections, financial disbursements, conflicts of interest, personnel, etc.

3) Component leaders must familiarize themselves with the organization's mission and purposes to ensure effective planning. The board determines the organization's mission and objectives and commits to meeting those goals. The mission and purposes assist the board in strategic planning, decision-making, staffing and volunteer resources and determining priorities.

4) Component leaders must promote elections, develop new board members and monitor their performance. Elections are integral part of the organization's existence, and required by law. The election process is another avenue to inform the membership of the organization's mission, demographics, programs, services and available opportunities to cultivate new volunteers. The board should implement a nominations committee, which would publicize board responsibilities, accept nominations, check nominees' credentials and experience, and implement the timeline of the election process to maintain the highest integrity of the process. The board should also conduct assessments of their performance to review how well the board is meeting its obligations to the organization and the membership.

## V. MAINTAINING PMI COMPONENT CHARTERS

### **A: Completion and Submission of Annual Charter Renewal**

In order for PMI Components to maintain their charters with the Project Management Institute, they are required to submit a complete charter renewal annually. The Charter Renewal:

- Confirms that components have met PMI's minimum performance requirements;
- Collects information on components' prior-year activities;
- Ensures that components are in compliance with PMI policies;
- Requires that components verify to PMI annually that they have maintained their incorporated/registered status, and have complied with all relevant governmental, tax and filing requirements including all national, federal, state/provincial and similar requirements.

**Deadline:** The deadline to submit is **1 February** of each year.

Components who fail to submit a renewal or submit an incomplete renewal by the annual deadline will be placed on probation. See "Overview of Component Probation" for more information.

### **B: Minimum Performance Criteria**

Within the **Component Annual Charter Renewal**, PMI Components must verify that the following Minimum Performance Criteria have been met:

1. Minimum of 25 Members (must be current members of PMI and applicable component).
2. Incorporation/Registration of the component is completed and up to date (all applicable renewals have been filed).
3. Filed annual tax reports if required and submit an annual financial report with Component Charter Renewal. All tax filings must be sent to PMI GOC for the component's records.
4. Submitted amended governing documents (e.g. bylaws) to PMI GOC for review and filing.
5. Submitted all officer names and contact information after elections took place.
6. Provided verification that the component has met legal requirements in its applicable jurisdiction regarding:
  - The required number of board of directors meetings;
  - Communicating information to members;
  - The required number of membership meetings; and
  - Conducting operations in a manner consistent with its governing documents (hold yearly membership meetings and elections) and applicable laws.

***Note: Failure to meet Minimum Performance Criteria may result in the component being placed on probation, face termination or reassessment.***

## **C: Annual Tax Filing Requirements**

In June 1999, the PMI Board of Directors approved the following policies related to component annual tax filings:

- All components must comply with tax filing laws at the federal, state/provincial, national and/or other legally appropriate government level and must demonstrate compliance as part of the charter renewal process.

PMI GOC implements this requirement in the following manner:

### **Components formed outside of the United States**

Given the variety of requirements that governments outside of the United States may establish regarding tax reporting requirements that would affect PMI's Components, component leaders are responsible for investigating and complying with tax reporting requirements in the jurisdictions in which they are incorporated. Further, copies of any tax filings submitted by components to governmental authorities must be submitted to PMI GOC as well.

Components outside of the United States that are not required to submit tax filings in the jurisdiction in which they are incorporated must complete the "Financial Report" included in the Annual Charter Renewal. The component leader completing the form must verify that the component has researched any relevant tax reporting requirements and has determined that the component is not required to file governmental tax reports.

### **Components formed within the United States**

PMI has a determination of tax exempt status from the United States Internal Revenue Service (IRS) under section 501(c) (6) Internal Revenue Service Code (professional societies/business leagues). All PMI Components must seek tax exemption as 501 (c) (6) organizations.

Components formed within the United States must obtain an appropriate exemption from federal income taxes directly from the IRS or by authorizing PMI GOC to include the component in the PMI Group Tax Exemption Program for Components.

All US based components must verify and provide documentation that they have obtained tax-exempt status in order to meet the Minimum Performance Criteria required for charter renewal.

**Components that obtained their own determination of exempt status prior to incorporating:** The IRS has determined that those organizations must re-apply for exempt status if they wish to maintain an independent ruling.

### **Obtaining Tax Exemption**

For those components that have their own determination of tax-exempt status, two options exist to maintain exempt status.

1. To maintain an independent tax exemption, the component needs to complete and submit IRS Form 1024 (also available on the IRS Web site), and pay the applicable fee for a new determination letter.
2. The second (preferred) option is to participate in the PMI GOC's Group Exemption For Components. To participate, the component must
  - First, send the IRS a formal, written communication that the component is terminating its independent exemption in order to participate in PMI GOC's group exemption.
  - Submit a letter on component stationery to PMI GOC authorizing PMI to include the component in the group exemption program
  - Complete and sign the Group Exemption Program Participation Disclosure Form. A sample authorization letter and the Disclosure Form are available on the Component Leadership Online

Community, and may be submitted to PMI GOC once the component has communicated to the IRS its intent to terminate its independent exempt status.

### **Filing Federal Taxes**

Under the U.S. tax reporting laws and regulations for nonprofit organizations, Components generally are required to file regular tax reports if any of the conditions below are met:

- They have or expect to have gross annual income greater than or equal to \$25,000(US) on average over the past three-year period.
- They have \$1,000(US) or more in gross income from unrelated business income, such as advertising revenue, t-shirt sales, etc.
- They employ staff for whom they must pay employment-related taxes.

### **Tax Forms**

For U.S. federal tax reporting purposes, component leaders should obtain and complete the applicable forms. For tax-exempt organizations, this would include:

- *Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax* (annually). While only those components that have gross revenues equaling or greater than \$25,000.00(US) over the past three-year period are required to complete and file the entire form, each component should complete and file the informational section of the form in the first tax year following receipt of a Determination of Tax-Exempt Status Letter from the Internal Revenue Service. To use Form 990-EZ, Components must have gross receipts of less than \$100,000(US) and total assets of less than \$250,000(US).
- *Internal Revenue Service Form 990-T, Exempt Organization Business Tax Income Return*, for components having more than \$1,000.00(US) in unrelated business income from activities such as newsletter advertisements (annually).
- *Internal Revenue Service Form 941, Employer's Quarterly Federal Tax Return*, for components that employ their own staff (quarterly).

The deadline for filing annually with the IRS is **15 May**. Obtain forms at the IRS Web site [www.irs.gov](http://www.irs.gov).

A copy of the component's federal tax filing, when completed and sent to the IRS, must be sent to PMI GOC for the component's file. This information is required for the component's annual charter renewal.

Components within the United States that are **not required** to submit federal income tax filings must complete the Financial Report form included in the annual charter renewal. The component leader completing the form must verify that the component has researched any relevant tax reporting requirements and has determined that the component is not required to file governmental tax reports.

### **Filing State Taxes**

Component leaders should contact their state taxing authority for specific information regarding state tax exemptions, filing requirements and forms. States may, at their discretion, grant an exemption from state income tax obligations to organizations, or may recognize the federal exemption within the state. However, some states may not provide any exemptions.

A copy of the component's state tax filing should also be sent to PMI GOC for the component's file.

\*\* Component leaders should consult with a tax specialist for specific information about taxable and non-taxable activities.

## **VI. RECOGNITION OF PMI COMPONENT ACHIEVEMENTS**

### **A. Component Awards**

PMI values PMI Components and volunteers making contributions to the development and implementation of PMI's envisioned goal in its strategic plan, "Worldwide, organizations will embrace, value and utilize project management and attribute their success to it."

The PMI Component awards program recognizes and honors PMI Component organizations that have made significant contributions to the project management profession and to the Project Management Institute. Awards are determined and presented annually at an appropriate venue.

In order to be eligible for a PMI Component awards, the timely completion and submission of the Annual Component Charter Renewal and Awards Application is required. Components must be chartered for a minimum of one calendar year and must meet all "Minimum Component Performance Criteria. Both PMI Components and its volunteer leaders may be nominated for awards.

A summary of each award including its purpose, eligibility, criteria, and nominating procedure is available on the Component Leadership Online Community. Below are the 2006 PMI Component Awards:

Component Award for Chapter of the Year  
Category I 25 – 300 members  
Category II 301 – 1000 members  
Category III 1001 or more members

Component Award for SIG of the Year  
Category I 25 – 1000 members  
Category II 1001 or more members

Component Award for College of the Year

Component Award for Collaboration

Component Award for Community Involvement

Component Award for Volunteer Program of the Year

Component Award for Volunteer of the Year

Component Award for Component Leadership

## **VII. PMI COMPONENT PROBATION OVERVIEW**

### **A. Component Probation by PMI**

PMI Components that do not meet performance standards or meet policy requirements may be placed on probation. Cause for probation includes:

- Failure to submit the Annual Charter Renewal
- Failure to meet minimum performance requirements established by PMI

PMI GOC may place a component on probationary status. A component facing probation will be permitted one month to respond to the formal communication. If no response is offered, the component will automatically be placed on a one-year probationary period. The component will receive official notification of the probationary status from the PMI Chief Executive Officer. The notification letter will identify the reason the component has been placed on probation; official notice that revocation of charter may ensue if performance does not improve; and the actions required to remove such probation.

The component will have one year to improve performance. During this probationary period PMI GOC will monitor these components with phone calls and written contact offering advice and assistance. PMI GOC will attempt to contact the President/Chair monthly, schedule teleconferences and face-to-face visits, if possible, in conjunction with the PMI Leadership Meetings.

Once the one-year probationary period is completed, PMI GOC will re-evaluate the component's performance, and make one of three recommendations:

- 1) Remove probationary status. The component may retain its charter and return to active chartered status.
- 2) Continue probationary status for another year. This alternative would be chosen for components that have shown progress and who could reasonably be expected to meet minimum standards within another one-year time frame.
- 3) Revoke charter. The chartered component will lose its charter and will be required to dissolve as an organization affiliated with PMI. This final action will be taken when the inability to reorganize the component exists. A letter will be sent from PMI GOC to all members of the organization indicating why such an action has been taken.

## VIII. POLICIES FOR MANAGING CHARTERED COMPONENTS

### A. Component Governance/Administration Policies

#### A1. Component Charter Agreement

*Please reference an example of a Charter Agreement document Section IX “Forms and Templates”.*

##### **What is It?**

The Component Charter Agreement is a uniform agreement of affiliation between PMI and each of its components. It clearly delineates the nature of the relationship between PMI and the Component organization and the responsibilities of each party to the other. The Charter Agreement incorporates into one document those organizational policies with which PMI Components are required to comply while providing flexibility and adaptability for legal requirements from country to country.

This document further clarifies that Components have the authority and responsibility to develop their own programs, services and initiatives in support of the overall mission and objectives of PMI.

Once a Component has incorporated, PMI will have an official Charter Agreement document processed, signed by the PMI Chief Executive Officer and mailed to the component for signature.

#### A2. Component Incorporation/Registration

In June 1999, the PMI Board of Directors established the new requirement that all PMI Component organizations become separately incorporated/registered within the jurisdiction in which they primarily conduct their business activities.

**For Chapters:** the primary jurisdiction would be the state, province, region or nation in which the chapter exists.

**For SIGs and Colleges:** the organization may incorporate anywhere. However, PMI GOC is willing to serve as the registered agent for any SIGs or Colleges wishing to incorporate within the Commonwealth of Pennsylvania.

##### History regarding chartered PMI Component compliance with the incorporation requirement:

- All PMI Chapters, SIGs or Colleges chartered prior to March 2000 were required to become separately incorporated by 1 February 2001. These Chapters, SIGs and Colleges were to submit a copy of their executed Articles of Incorporation or other applicable document to PMI GOC with their 2000 charter renewal. The executed Articles of Incorporation or other applicable documents must have the seal of the applicable government or must otherwise demonstrate that the applicable governmental body has formally accepted the component's incorporation within the jurisdiction.
- All PMI Chapters, SIGs or Colleges chartered after March 2000 are required to submit their executed Articles of Incorporation or other applicable document to PMI GOC as part of their chartering applications. Potential components may not charter until their incorporation documents and other required materials have been filed with PMI GOC.

##### Considerations:

- Some components may experience unique challenges in attempting to incorporate in some jurisdictions. These challenges may include: a lack of recognition of nonprofit organizations; a complex variety of rules, regulations and processes; or no apparent legal mechanisms for incorporating the organization as a legal entity. In these instances, component leaders may request that PMI GOC temporarily suspend the incorporation deadline while the component further explores its options. Such requests must be

submitted in writing to PMI GOC. This temporary suspension of the deadline does not waive the requirement that the component must incorporate or register with an appropriate government body.

#### Submission of Proof /Renewal of Incorporation/Registration to PMI GOC

- Once a component is incorporated, components must submit proof of incorporation/registration renewal or proof that its incorporated or registered status is still valid with each annual charter renewal.

#### US Based Components:

- Once the component has incorporated, the U.S. Internal Revenue Service (IRS) requires the component to obtain a new Employer Identification Number (EIN). The IRS's reasoning is that incorporation changed the type of organization, and thus the organization must obtain a new EIN. The IRS allows organizations to apply for an EIN via phone and then fax/mail the completed application to the IRS. This new process should facilitate the component's receipt of its new EIN. To obtain Form SS-4, Application for an Employer Identification Number, visit the IRS Web site at [http://www.irs.gov/forms\\_pubs/forms.html](http://www.irs.gov/forms_pubs/forms.html). Be sure to send the component's new EIN to PMI GOC for the records.

#### PMI GOC Incorporation/Registration Assistance:

To help component leaders comply with the incorporation requirement, PMI GOC developed the Component Incorporation Assistance Package, which includes:

- Answers to common questions about incorporation;
- outlines the usual steps in the incorporation process;
- identifies legal and other resources component leaders may consult as they are completing the incorporation process; and,
- includes sample forms and other helpful materials.

The package is available at PMI Component Leadership Online Community.

### **A3. Revising Component By-laws: Component Bylaws Template**

*Sample Component By-laws Template is Available at Section IX “Forms and Templates”*

PMI strongly encourages chartered components to review their existing by-laws regularly and revise them every three years, if necessary. To assist components in revising bylaws that do not conflict with PMI requirements, PMI GOC has developed a component by-laws template. Component leaders may use this template in order to revise their by-laws to meet their specific organization’s needs. The bylaws template is posted on the Component Leadership Online Community.

All chartered components must have their revised bylaws reviewed by PMI. All bylaws submittals should be sent via email to PMI. The review time is approximately three to four weeks.

*\* It is strongly recommended that PMI GOC review the bylaws before the component’s membership votes on these bylaws.*

#### **Process for Revision, Submission, Review and Approval of Component By-laws:**

- Access an electronic copy of the Component By-laws template (from PMI Component Leadership Online Community)
- Revise your potential component’s by-laws according to the component by-laws template
- Submit your component’s draft revised by-laws template to PMI for review.
- The by-laws will be reviewed and PMI will provide comments/suggestions or approval in a timely manner.
- Once approved, PMI GOC will keep on file a copy of your component’s approved by-laws.
- Present the component’s revised by-laws to the Component membership for a final vote.

#### **Structure of Component Bylaws**

The following information is designed to help component leaders understand the structure of the component bylaws template, areas which must appear in component bylaws to avoid conflicts with PMI’s bylaws, and areas where component leaders have flexibility to structure the bylaws as they see fit:

**Article I: Name, Principal Office and Relationship to PMI.** This Article defines the nature of the relationship between PMI and the component and clarifies that the component is a separately incorporated organization.

*All sections of this Article should be included and should conform to the language contained in the model bylaws.*

**Article II: Purpose.** This article defines the reasons why the organization exists. It is important that the component identifies purposes that are consistent with those of the Project Management Institute. Also, for components that may seek exemptions from governmental tax requirements, the decision to grant any such exemptions may be based on the purposes identified in the organization’s bylaws. Thus, some examples of acceptable purposes may include:

- Promote the practice and profession of project management.
- Support the training and professional development of project management professionals.
- Encourage the adoption of project management practices by corporations, government and other entities.
- Create networking opportunities for project management practitioners.

*It is required to state the purpose of the component, but the above language may be altered.*

**Article III: Membership.** This article defines the composition of the component’s membership, the rights and privileges of membership, terms under which membership may be granted and/or terminated; and the use of membership data provided to components by PMI GOC.

*Each section in this Article should be included within the component's bylaws.*

For section 3 of this article, the component must define which members can vote and hold office. All components grant voting rights and the right to hold office to regular members; however, some components allow student members to vote and hold office while others do not. Thus, the component will need to specify its requirements in this section.

**Article IV: Officers.** This article defines the organization's officers and their functions. Component leaders may define officer positions in any manner they wish. However, for legal reasons, components must identify one officer to perform each of the following functions:

- Chief Executive Officer: one officer must have overall responsibility for the management of the organization and the direction of the organization's board of directors.
- Secretary: one officer must be the organization's official record keeper who records and retains board meeting minutes, membership meeting minutes, evidence that the organization has conducted elections as required by the bylaws, etc.
- Treasurer: one officer must be the chief financial officer for the organization who is responsible for overseeing the management of funds.

Components are not required to use the specific titles "chief executive officer," "secretary" and "treasurer" in their bylaws. However, someone on the component's board of directors must perform each of the functions associated with each of those titles.

**Article V: Board of Directors.** This article defines the composition and responsibilities of the organization's board of directors. It also includes general procedures for conducting meetings of the board, filling vacancies on the board and removing board members from office. Lastly, it defines the level of authority that the board of directors may exercise and any restrictions upon that authority.

*Each section of this Article should appear in the component's bylaws.* However, component leaders may make adjustments to some of the requirements contained in the bylaws template. For example, the component may wish to:

- Vary the size of the board of directors.
- Use different titles for the at-large director positions.
- Adjust the procedures for removing directors or filling vacancies.

It is also important to note here that by United States' law, boards of directors are required to record and maintain official minutes of any meetings of the board at which organizational business is conducted. The official minutes must be retained for the life of the organization. Lastly, the minutes should not represent a transcript of the deliberations, but rather a summary of any key actions taken or issues raised by the board of directors during the meeting.

**Article VI: Nominations and Elections.** This article defines the process through which individuals may be nominated for component leadership positions and the process for conducting organizational elections. *Each section of this Article should appear in the component's bylaws.* However, component leaders may make adjustments to some of the requirements contained in the bylaws template.

**Article VII: Committees.** This article grants authority to the organization's board of directors to establish committees to assist the board with its work. *This Article may be included or removed from component bylaws at the leaders' discretion.*

**Article VIII: Finance.** This article defines how the organization will manage its finances; establish its dues, etc.

*Each section of this Article should be included in component bylaws.*

**Article IX: Meetings of the Membership.** This article establishes a general process for conducting annual and special meetings of the membership. It is important to note that the term “meetings” in this instance means official organizational meetings in which the organization’s members and board of directors discuss and/or act upon organizational business. It is also important to note here that by law, boards of directors are required to record and maintain official minutes of any meetings of the membership at which organizational business is conducted. The official minutes must be retained for the life of the organization. Lastly, the minutes should not represent a transcript of the deliberations, but rather a summary of any key actions taken or issues raised by the board of directors or membership during the meeting.

*This article is required although the language can be altered.*

**Article X: Inurement and Conflict of Interest.** This article is designed to ensure that component leaders abide by legal requirements related to the performance of their component leadership duties. It prohibits component leaders from receiving any personal gain from their involvement with the organization. It clarifies that component leaders may be reimbursed for actual and reasonable expenses associated with their performance of their leadership duties. It also allows component leaders to be reimbursed for actual and reasonable expenses associated with their involvement in a particular component activity (e.g., granting an honorarium to a leader who speaks at a component meeting). Lastly, it requires that component leaders disclose any real or potential conflicts of interest they may have related to the organization and its business to the board of directors and that those leaders refrain from voting on or influencing votes on issues that relate to that conflict of interest.

*Sections 1, 2, 4 and 5 of this Article should be included in component bylaws; Section 3 may be included at the discretion of a component’s leaders.*

**Article XI: Indemnification.** This article establishes parameters within which the component may protect its leaders from any legal actions resulting from their service to the component. There are three important exceptions to this protection:

1. The leader must have acted in good faith and in the best interest of the organization.
2. The leader’s actions must be consistent with legal requirements.
3. The leader may not be protected when legal action is initiated by the component.

This Article also states that the component may obtain insurance to protect against exposure to liability for the organization, its property and its representatives.

*Component bylaws should include each section of this Article. Component leaders may revise the language to suit their particular needs or to ensure that the language is consistent with the legal requirements and options in the jurisdiction in which the component is incorporated.*

**Article XII: Amendments.** This Article details the process for amending the component’s bylaws. *Each section of this Article must be included in component bylaws. Component leaders may change some of the language to suit their particular needs or to ensure that the language is consistent with the legal requirements and options in the jurisdiction in which the component is incorporated. However, it is important to note that component members should be involved in approving any amendments to the component’s bylaws.*

**Article XIII: Dissolution.** This Article identifies the steps that the organization will take should it dissolve for any reason.

*This Article should appear in component bylaws.*

## **A4. Component Insurance Coverage**

To ensure that components and their volunteer leaders have adequate protection against potential exposure to liability, PMI GOC, at PMI's sole discretion, makes available insurance coverage on behalf of all PMI chartered components. PMI GOC subsidizes coverage for new components and those with limited financial resources.

### **The PMI insurance coverage for components is in excess of local primary compulsory coverage.**

PMI works with PMI's Insurance Company to ensure that the policies, information and coverage provided is sufficient. The broker has verified that the component insurance policies apply to the extent of the policy coverage in each of the countries in which PMI currently has component organizations. Therefore, component leaders should investigate if there is a need for compulsory insurance in their area and obtain insurance coverage to meet this requirement. If additional insurance policies are obtained by components, the policies must be sent to PMI for the component's records.

### **Components Based in the United States, its Territories and Possessions**

(Includes all SIGs, Colleges, and U.S. based Chapters)

All PMI chartered components that are based in the United States, its territories and possessions are provided with two types of insurance coverage: Commercial general liability and professional liability. Components that have been chartered for one calendar year or longer, and have a minimum cash balance of \$2000 (US) at the end of a year, are invoiced for a portion of this insurance cost. This account balance for each component is determined from the amount reported on the component's annual Charter Renewal financial report or annual tax filing. Invoices and copies of the insurance policies are distributed during the second quarter of each year. Components are encouraged to review these policies for coverage information and limits. After reviewing these policies, Component Board members will need to determine if additional coverage is needed to ensure coverage from potential liability exposure. Any additional coverage obtained is a direct expense of the components.

### **Components Based Outside of the United States, its Territories and Possessions**

Components based outside the U.S., its territories and possessions have two policies: Professional liability coverage and international (foreign) commercial general liability coverage. Insurance invoicing and distribution is the same for all components, as described in the paragraph above.

## **Overview of Insurance Coverage:**

### **Commercial General Liability Coverage**

- Provides insurance protection to the component, its board members and other volunteers of the component, in the event of accidents or other unfortunate mishaps during a scheduled component event. For example, if a member falls and is injured, the component will be covered for such an accident, as long as the terms and conditions documented in the policy are met.
- Other areas covered under this policy include: bodily injury, property injury, personal injury and advertising injury, independent contractors, contractual liability and host liquor liability.
- Refer to the "Limits of Liability" section within the actual insurance policies to determine exact insurance coverage amounts.
- All components should read their policies in full in order to understand the terms and conditions of this insurance coverage.

### **Professional Liability Coverage (also know as Directors and Officers Liability)**

- Provides insurance protection for the component board of directors and other volunteers either appointed or elected and component employees.

- This coverage protects the component’s representatives from liability for actions performed within the scope of their position on as a component director, officer, or member. This coverage will not cover actions that are illegal and/or are outside the scope of their position as a component director, officer, or member.
- Refer to the “Limits of Liability” section within the actual insurance policies to determine exact insurance coverage amounts.
- All components should read their policies in full in order to understand the terms and conditions of this insurance coverage.

#### International Coverage (Foreign Commercial General Liability)

- Provides insurance protection to the component and its board members and other volunteers of the component if there are accidents or other unfortunate mishaps during a scheduled component event. For example, if a member falls and is injured, the component will be covered for such an accident, as long as the terms and conditions documented in the policy are met.
- Some other areas of coverage included are: premises operations, vendor liability, host liquor liability, broad named insured, unintentional errors in disclosure. For the complete summary of coverage, components should read their policies in full in order to understand the terms and conditions of the coverage.
- Refer to the “limits of liability” section within the actual insurance policy to determine exact insurance coverage amounts.
- All components should read their policies in full in order to understand the terms and conditions of this insurance coverage.

#### Coverage Applicable to All Policies

- Coverage applies to PMI Component events held at non-PMI locations (e.g., anything outside of PMI’s Global Congresses).
- Coverage does not include any physical locations owned or leased by any component of PMI (unless the lease is for a physical location for less than seven (7) days), nor does it cover any property of the components or individual members. The person or entity holding an interest in the property must obtain insurance coverage.
- Coverage does not include employee liability, benefits or workers compensation insurance for employment. This coverage should be obtained within a component’s local jurisdiction. Laws surrounding employee benefits and workers compensation varies from each location, thus it is best to obtain within a component’s local jurisdiction.
- For the complete summary of coverage exclusions, components should read their policies and summaries in full in order to understand the terms and conditions of the exclusions.

All insurance policies and summaries are available for download from the Component Leadership Online Community.

#### All Chartered Components

**Certificate of Insurance:** When sponsoring any gathering of component members or other component-sponsored event, all PMI chartered Components should apply for a Certificate of Insurance. A copy of the certification of insurance application form (Event Questionnaire Form) is included with the insurance policies when the policies are distributed. This application form can also be downloaded from the Component Leadership Online Community. A Certificate of Insurance is usually required by hotels, restaurants and other meeting facilities to document that your component does have adequate insurance coverage. It is requested that a copy of this application also be sent to PMI GOC at the time a component applies for a certificate. A copy of this application will be kept on file at PMI GOC.

## **A5. Creating/ Revising a Component Logo**

### **What is the Purpose of a Component Logo? Why Should a Component Revise Its Logo According to PMI Graphic Standards?**

The component's logo establishes brand identity and visibly identifies the component as an organization affiliated with PMI. PMI GOC has created a "PMI Graphic Standards Kit" which components may utilize to design a component logo that not only uniquely identifies their organization but also aligns them with PMI.

Components chartered before 1999 may voluntarily elect to participate in the Graphic Standards Program. Although the graphic standards program is voluntary for groups chartered before 1999, using this new logo or designing a new logo without following the steps outlined in the Graphic Standards Kit, which includes receiving the necessary approval from PMI GOC is not permitted.

### **Process for Design, Submission, Review and Approval of a Revised PMI Component Logo**

1. The Graphic Standards Kit is available from PMI GOC, and is also accessible on the Component Leadership Online Community. Component leaders should carefully review the kit and ask any questions before submitting a logo to PMI GOC for approval.
2. E-mail an EPS (Encapsulated Postscript) file of the logo to PMI GOC. Component logos should not include any accompanying text or be contained within letterhead or other marketing material. A color, black and white, or both styles of logos may be submitted for approval. Only the style of the logo that is submitted will be approved.
3. The logo will be reviewed and PMI GOC will provide comments, suggestions and/or approval to the component in a timely manner.
4. Once PMI GOC has approved the component's logo, then the logo may be used on component brochures, web sites and correspondence.
5. PMI GOC will provide the component with a certificate containing the approved logo.

### **Considerations:**

- It is strongly suggested that the component consider contracting a professional graphic design agency when creating a component logo. The designer can be provided with the Graphic Standards Kit and templates to design a logo, which meets the specified graphic requirements. The designer can also insert the logo into other materials, such as letterhead, newsletters, mastheads, business cards, mailing materials, etc.
- Logos are best designed in a graphic design software program.
- PMI GOC cannot provide direct assistance with creating or modifying component logos, although they can refer components to vendors that are familiar with PMI's graphic standards.

## **A6. Component Name Change Policy**

If an existing chartered PMI Component is considering a name change, the component must contact PMI GOC to express its intent to change its name before initiating any process for changing its name. PMI GOC will ask the component to consider the following:

1. Has a new name been determined yet? If not, the component may wish to survey the membership to determine if a name change would be supported and collect possible names at the same time.
2. If a new name has been determined, inform PMI GOC to ensure the proposed name will not cause confusion with an existing PMI Component, is consistent with applicable PMI guidelines, etc. PMI GOC will communicate whether there are any concerns that may prevent the component from changing its name. The component may then continue with the process outlined below.
3. If confusion with another component exists, then the component will be directed to consult with the component whose name creates a conflict. The dialog should address whether any confusion is prevalent

and if so, solutions for resolving the confusion. Potential solutions may include an alternate name or specific branding strategies, for example.

4. Components (primarily SIGs) changing their name and wishing to modify their area of focus shall follow the process below, in addition to resubmitting a Statement of Interest and reevaluating and selecting its component area designation.

If PMI GOC sees a conflict with an existing component, PMI GOC will contact the chief executive officer of the component with the established name to request a written statement explaining why the component does not support the name change of the requesting component. The requesting component will be permitted to respond to that statement. Based on a review of both written statements, PMI GOC will make a determination regarding the organizational name change and will communicate its decision to both the existing and requesting component leaders. Key factors in making this decision will include:

- Are there other options besides the potentially confusing name that may be considered?
- What were the purposes for initially forming the component and has there been a change from that?
- Will the organizational name change better define the purpose and objectives of the organization?
- Will the name change affect the existing component's ability to sustain a viable organization?

PMI GOC's preference is that the leaders involved in the discussions will resolve any disputes or concerns among themselves.

In order to officially change the component's name, the following steps must be taken:

1. Submit revised bylaws with the new name to PMI GOC for approval.
2. Once, the bylaws have been approved by PMI GOC, the component membership must approve the bylaws via a vote.
3. Once the membership has ratified the bylaws, documentation must be updated with the new organizational name. Documents that require updating include:
  - Articles of Incorporation/Registration
  - Bank Account
  - Tax documentation
  - Marketing materials, including Web site.
4. The Component must forward to PMI GOC its updated incorporation/registration documentation (containing its new name).
5. A new Statement of Interest (for SIGs and Colleges) may be requested.

PMI GOC will update:

- Charter Agreement (*Once PMI GOC receives the updated incorporation/registration documentation, it will issue an updated Charter Agreement for the component to sign*)
- Component listing on PMI Web site
- PMI Membership application (hard copy and Web)

## **A7. Component Dissolution**

Dissolving a PMI Component is often a difficult decision, but in some cases the only alternative. The decision to dissolve a component is many times reached in such instances where:

- The current slate of officers is no longer interested or able to serve in their positions. After notifying the membership, no one is willing to step forward to lead the component.
- The membership has decreased and continues to decrease as a result of lack of interest. Although the leadership is still in place and has tried multiple approaches to rejuvenate the component, the only alternative is to dissolve the component.

- The component leaders and members have decided that it would be more beneficial to join forces with another PMI component rather than continue to function independently.

### **Steps in dissolving a component, when an existing board of directors is still in place for the component:**

1. The component members need to approve the motion to dissolve the component. A special meeting of component members needs to be called to address and vote on this issue or may also be handled by mail ballot. PMI GOC will need a formal letter from the component regarding the issues at hand and the result(s) of the member vote.
  2. If the component was assigned a government identification number or filed any other type of tax related applications (i.e. tax exemption), the component needs to inform the appropriate government authorities regarding the components' dissolution.
  3. The component will need to file appropriate notices of dissolution with the applicable governmental bodies in the jurisdiction in which the component is incorporated. This may also entail filing notices in newspapers, legal publications, etc.
  4. Once all bills and other financial obligations have been met, the treasury will need to be forwarded to the designated entity highlighted in the components' bylaws, (this could be another professional association in their country, another PMI Component group or PMI GOC). This group must be a nonprofit entity. If no specific entity is identified then the members or the board need to designate a nonprofit entity. All checking and savings accounts should be closed at this time. Please note components should not close accounts until all outstanding checks have cleared the bank. All other assets (i.e., certificates of deposit, money market accounts) will need to be transferred over to the designated nonprofit organization by either transferring the investment or cashing in the investment and then transferring the funds to the designated entity.
- \* PMI GOC should be copied on the correspondence accompanying this transfer of funds.
5. If the component is required to file tax reports with applicable governmental bodies, this requirement may apply during the fiscal year in which the component dissolved. For example, if the component dissolved in September, it may be required to file a tax report for its activities between January and September.
  6. The leaders need to make a provision for maintaining the components' files for a minimum of three years in case any questions arise or any government authorities decide to conduct an audit. *The responsibility of maintaining these records falls with the volunteer leaders, not with PMI GOC.*

### **A component merging with another PMI component**

If the component is *merging with another PMI component* the following steps (7-10) will need to be taken. Please note components must follow procedures for merging in the jurisdiction in which they are incorporated/registered.

7. If the merger creates a new entity, the existing organizations generally must legally dissolve, and the new entity established would need to follow the appropriate registration/incorporation procedures or make the necessary revisions to their current registration/incorporation documents. It is suggested that both components consult with the appropriate officials regarding their incorporation/registration.
8. Members of both groups must vote to approve this merger, either at a called meeting or by mail ballot. The process must be consistent with balloting procedure requirements of the jurisdiction in which the components are registered/incorporated.

9. A letter from both components will need to be sent to PMI GOC outlining the steps that were taken by these components to come to this agreement as well as the actual results agreed upon. Both presidents/chairs of the components involved should sign this letter.

10. A letter will need to be sent to PMI GOC documenting the following information:

- Acknowledging that the transfer of accounts has occurred and the amount that was transferred.
- The second group will accept the members of the dissolving components into their component in exchange for this transfer of assets. Also, it is important to note that there will not be any extension of membership expiration dates. The same member expiration dates will be used when they are transferred to the new component.

11. The merging of both components is complete after PMI GOC receives the revised bylaws of the newly structured component highlighting the necessary changes in its geographical, interest/industry or knowledge area coverage. A new area designation form will need to be attached to the component's charter as an addendum. A new charter with PMI would also need to be executed for this group.

### **If the Component has no active board members**

- PMI GOC will attempt to contact the last set of officers on file to confirm the status of the organization.
- If PMI GOC is successful with contacting the last recorded component board members, PMI will work with these individuals to first try to determine if enough interest exists to rejuvenate the component. If it is determined that no interest exists among the current board of directors and the component membership, PMI will then work with this group to dissolve the component.

If PMI GOC is not successful with contacting the last recorded component board members, PMI GOC will communicate with the current component membership informing them of the current status of the component and soliciting volunteers to step forward and reestablish the component. If no volunteers come forward, PMI GOC will work with the last recorded officers to have the component dissolved.

## **B. Component Membership Policies**

### **B1. Component Data Exchange Program (DEP): Membership and Prospect Database Information Policy**

Each month, PMI component leaders receive updated membership and prospect information from the Institute's database via the Data Exchange Program (DEP).

For component membership management purposes this information includes:

- A listing of all current members of the component;
- All financial transactions related to the component's memberships that have been created during the current month;
- A listing of component members who have not renewed their PMI and/or component memberships with the last month;
- A change listing which reports membership database changes that have occurred in the previous month; and
- A change list summary that provides a numerical summary of all changes that have occurred in the previous month.

For component recruitment and promotion purposes this information includes:

- A listing of PMI members who are eligible to belong to the component (e.g., in the Chapter's geographic area, work in a SIG's industry area, or focus on a College's knowledge area) but have not yet joined; and,

- A listing of prospective members who are eligible to belong to the component once they have joined PMI (e.g., in the Chapter's geographic area, work in a SIG's industry area, or focus on a College's knowledge area).

This information is vital for component leaders to communicate with and track their existing members while also reaching out to potential members. Using this information also has important implications for members and prospective members who may want to know about component activities but who do not want their contact information widely distributed.

These policies have been established to clarify questions regarding the use of the Membership and Prospect Database information by components. The Membership and Prospect Database includes information provided through the DEP, as well as through other means (e.g., electronic communications or hard copy).

### **1. Member Notice and Consent Regarding Use of Application Information**

Every member who joins PMI is required to submit a completed application form with payment of all applicable dues and fees. The information collected on that form is designed to assist PMI and components in serving their members and members are notified of this on the application form. Members also may specifically communicate to PMI on the application form whether they wish to be excluded from mailing list rentals and PMI directories. Information about members' exclusion decisions is also provided to components so that they also honor members' requests to be excluded from designated items.

### **2. Monthly Membership and Prospect Database Listings for Components**

PMI charters components to further the purposes of the Institute. Component membership is open to, and limited to, any eligible PMI member who meets the qualifications for such component membership and who pays applicable component dues. Membership in any component is voluntary, and members may join as many components as they wish. In order to join a component, an individual must be a member of PMI.

Components may establish membership dues at their discretion and under policies and procedures established by PMI. All component membership dues are billed and collected by PMI GOC and then distributed to the appropriate component in a timely manner.

PMI GOC provides monthly Membership and Prospect Database listings to help Components:

- Track and communicate with their members;
- Account for membership dues disbursed from PMI to the components; and,
- Recruit and retain members for the component.

Examples of appropriate uses of the Membership and Prospect Database include, but are not limited to:

- Component meeting announcements;
- Component new member welcome letters;
- Component membership renewal "thank you" letters;
- Component newsletters and other membership communications; and,
- Component election ballots.

Components should take into consideration that members may not want the contact information they provide to be listed or posted in electronic format without the members' prior consent. Examples of uses which may be appropriate after members have received reasonable notice of the planned activity and have had the opportunity to have their contact information excluded include, but are not limited to:

- Component membership directories in hardcopy format
- Member contact information on component web sites.

Whenever components publish membership directories – whether in hardcopy format or online – a disclaimer similar to the following should be incorporated:

*Warning! This list is for official PMI [Component name] use, as well as individual communication of a networking nature by PMI members and potential members. Use of this information for any other purpose, including but not limited to reproducing and storing in a retrieval system by any means, electronic or mechanical, photocopying or using the names, addresses, e-mail addresses and phone numbers for any private, commercial or political mailing is strictly prohibited.*

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Components should also make sure that their publications are copyright protected consistent with the laws of the country in which the component is incorporated/registered.

Examples of uses which are not appropriate include but are not limited to:

- The sale or release of Membership and Prospect Database listings and/or information to any third party (except in accordance with Sections 4 and 5 of this policy), and
- The use of mailing lists by component officers, board members, appointed committee members or other authorized representatives to promote services, products or other offerings in which those individuals have a personal, financial or other interest.

Components are expected to take appropriate measures to ensure that members who requested to be excluded from mailings, directories and other communications are not included in those activities and that all future requests to opt-out of receiving such communications will be honored. Components will keep accurate records of member preferences to ensure the proper administration of all opt-out requests.

Components with questions regarding the appropriate use of Membership and Prospect Database listings and information should contact the PMI GOC Component & Community Relations Department for technical assistance in advance of the proposed activity.

### **3. Privacy Issues**

PMI Components should investigate whether the jurisdiction in which they are incorporated/registered has other specific privacy protections that may relate to the use and publication of membership and prospect information. Since there is the potential for significant variations in such requirements, component leaders should investigate the regulations within their specific jurisdictions.

### **4. List Exchanges among Components**

PMI Components may exchange Membership and Prospect Database listings with other PMI Components to promote component-sponsored activities consistent with Section 2 of this policy. Any lists exchanged among components should exclude those members who have asked that their contact information not be shared.

### **5. List Exchanges with Other Organizations**

PMI Components may exchange membership listings only with other organizations with which the components have established collaborative relationships, provided the following conditions are met:

- Prior to its acceptance and execution of a cooperative agreement or other formal relationship with a non-PMI entity, the component shall employ a fair process for full and open exchange and communication with PMI GOC. Minimally, components should address the following issues:
  - The agreement between the component and the non-PMI entity clearly states the terms and conditions related to the use of PMI-related membership listings.
  - Component leaders should receive communications or other materials that are to be sent by their collaborative partners to PMI members and prospective members prior to the dissemination of such communications or materials.

- Any information provided must exclude those PMI members who have asked that their contact information not be shared.
- Information regarding prospects who are not members of the component nor of PMI must be excluded from such exchanges. Prospect information is provided solely for component recruitment efforts.

As part of their efforts to encourage employers to support their employees' involvement in PMI and its components, components may share appropriate membership information with those employers. Such information is limited to the total number of employer's participating employees who are members but must also respect the confidential nature of the members' information. Thus, components should provide only a total count of employees who are PMI or Component members. Under no circumstances may individual PMI customer information be shared with an employer without an individual's permission.

#### **6. Sale of Lists to Third Parties**

Components are **strictly prohibited** from selling PMI-related Membership and Prospect Database listings, as well as any information, products or services derived from the Membership and Prospect Database listings, to any third party.

#### **7. Mailing List Rentals for Members Outside of the Component's Designated Area**

Components may rent from PMI the mailing list for PMI members who are outside of the component's designated geographic, industry, interest or knowledge area and whose names are not included in the Membership and Prospect Database listing provided to the component by PMI. Such mailing list rentals may only be used for specific purposes, such as promoting component educational events. Requests for mailing list rentals should be directed to the PMI Supplier Relations department.

#### **8. Ownership of Information**

Any information pertaining to PMI membership, including but not limited to: databases, lists, mailing labels and reports, which is provided by PMI to the component may be used only in connection with the authorized, lawful business of the component, consistent with the terms of the component's charter with PMI. Such information is considered confidential and shall not be shared with or distributed to individuals or business entities outside of PMI, except with the prior, written permission of the PMI Chief Executive Officer.

#### **9. Confidential Information**

Components shall maintain the confidentiality of any and all of PMI's confidential, sensitive or proprietary information or data (collectively, "confidential information"). Such confidential information remains the property of PMI and is furnished to the component in confidence and solely in connection with the component's affiliated relationship with PMI. Upon termination of its affiliation with PMI for any reason, the component will immediately deliver to PMI all written or electronically stored documentation, including copies of, or concerning, confidential information, and shall make no further use of such confidential information and shall make reasonable efforts to ensure that no further use is made by the component or its representatives of such confidential information. The component's confidentiality obligations shall survive the expiration or termination of its affiliation with PMI.

## **C. Component Financial Policies**

### **C1. Component Dues**

PMI Components are encouraged to set a membership dues amount to subsidize the cost of services and activities offered by the components to its members.

#### **Developing Component Membership Dues Amounts**

- PMI is currently accepting payments for Components in whole U.S. dollars and in Euro.
- Components may set two different dues amounts for regular and student members (at a reduced rate). Please note that only the regular component dues amount will appear on the PMI application (hard copy and online).

Factors to consider in setting a component's dues amount:

- Types, mode and quantity of services offered.
- Geographical location of component (costs associated with conducting business).
- Geographical location of events/activities, e.g. if a SIG or a College typically holds its annual conferences in cities that are more costly to conduct business (San Francisco, New York) a higher dues amount may be justifiable.
- Age of component. Newly established components may want to set higher dues within the first couple of years to subsidize costs associated with activities and services.

#### **Changing PMI Component Dues Amounts**

##### **Chartered PMI Components Can Change Their Dues Amounts Once a Year.**

- PMI sends out a communication to all the chartered components in the third quarter of each calendar year soliciting any dues changes for the following calendar year, to be effective 1 January.
- Components must submit dues changes for the following year by 1 September.
- This early notification enables PMI membership invoices to reflect revised component dues. Since the first invoice is sent two months prior to the expiration date, the new dues amount is reflected on invoices produced at the end of October and November.
- These dues changes are also reflected on the PMI membership application, which is reprinted on a quarterly basis (January, April, July, and October).

#### **PMI Collects all Component Dues:**

- PMI invoices and collects all PMI membership dues and component dues. All payments are required to be paid directly to PMI (please note: PMI prohibits components from collecting dues directly from members).
- To join a PMI Component, one must be a current member of PMI. No dues will be collected or processed for a PMI component if the individual is not a current PMI member.
- The expiration date of PMI component memberships are always aligned with the individual's PMI membership expiration date.
- If an individual submits an incorrect dues amount with either their membership application or renewal:

If the individual did not send sufficient funds, and the amount is under \$15(US) the individual will be processed for the component and PMI. The full component dues payment will be processed for the component. However, PMI GOC will contact the individual in order to receive the remainder of the balance, which will then be applied toward the payment of their PMI membership. If the shortage

amount is over \$15 (US), PMI will not process the membership. PMI GOC will contact the individual alerting them to the insufficient payment. Components can assist PMI with collecting the correct dues amount by distributing current PMI membership applications at component functions.

- If PMI GOC incorrectly processes an individual into a component, the individual's membership and the respective dues amount will be transferred to the correct component. If an individual incorrectly joined a component or wishes to transfer their component membership at a later date, no component dues will be transferred.
- In the event that a member resigns, PMI or the individual component will not refund membership dues.

### PMI Disburses Dues Back to PMI Components

Component membership dues are disbursed to the individual components in one of three ways:

- 1) Check (monthly, quarterly, bi-annual)
- 2) Automated Clearing House (ACH) – United States Based Components Only
- 3) Wire Transfer - Components Based Outside of the U.S.

\* A Check, ACH and a wire transfer will only be made payable in the name of a PMI Component, and not to an individual officer or other person(s).

**United States Based Components:** Have the option of receiving dues disbursements via an ACH or a check.

**ACH:** Component dues are electronically transferred from PMI to the bank account of the component. To sign up for an ACH, the component should submit to PMI an application form and a copy of a cancelled check or savings deposit slip. The component should consult with its bank to identify any service fees in relation to receiving an ACH or check. If information is provided incorrectly by the component, the funds will not be transferred electronically and the applicable fee(s) charged by PMI's bank to PMI will be automatically deducted from the component's next check. If PMI submits the incorrect information, the component is not responsible for paying the fee. Further information can be downloaded from the Component Leadership Online Community.

**Components Based Outside of the United States:** Have the option of receiving a wire transfer or a check.

**Wire Transfers :** The months when these wires are sent are established by PMI GOC and are subject to change. If the months of distribution are to change, PMI GOC will communicate with the respective components at least 30 days prior to the effective change date. All interested components should first consult with their banks regarding fees involved in receiving wire transfers. To sign up for a wire transfer, submit a wire transfer application to PMI. If the component provides incorrect information, the funds will not be transferred electronically and the applicable fee(s) charged by PMI's bank to PMI would be automatically deducted from the component's next check/wire transfer. If PMI submits incorrect information, the component will not be responsible for paying the fee. Wire transfers are available in limited currencies. Consult the wire transfer information on the Component Leadership Online Community for a complete list of currencies and further information.

### Reconciling Dues Received:

PMI Components can reconcile their dues checks, ACHs or wire transfers by viewing a copy of the "Transaction Report" in the monthly Data Exchange Program (DEP). This report, in U.S. Dollars, lists all the dues transactions that occurred within a one-month period for a PMI Component.

## **D. Component Program/Promotions Policies**

### **D1. PMI Components: 40% Discount on PMI Book Orders**

PMI Chartered Components (Chapters, SIGs and Colleges) are eligible for a 40% re-seller discount off the list price (nonmember price) of most books published by the Project Management Institute

**Here are some ideas for PMI Components in utilizing the 40% discount:**

- Supply supporting materials for professional development and training events, conferences or tradeshows;
- Maintain component libraries;
- Pass the discount onto your members;
- Sell the products at full price in order to raise funds for your organization.

**Restrictions:**

- Component leaders purchasing books for their individual use do not qualify for the 40% discount. Orders must be coordinated at the organizational level and placed by a designated officer from the component.
- Commercial titles that PMI resells from other publishers are not eligible for this discount.
- PMI Pride items, PMBOK® Guide - 10th Anniversary Hardcover and OPM3® products are not eligible for this discount.
- Other items may be excluded from this discount at PMI's discretion. The list of exclusions will be kept up to date on the Component Leadership Web site.

### **PMI Book Ordering Instructions**

- 1. To receive the 40% reseller discount, books must be ordered by a current PMI Component board member/officer, on behalf of the PMI Component.**
- 2. Please complete a “PMI Component Book Order Form”, including the following details :**

*(The “PMI Component book order form” is available for download from the Component Leadership Online Community Web site.)*

- Book title
- ISBN number
- Quantity
- “Ship to” name, address and phone number
- Billing and payment information (*please see below for payment options*)
- Special shipping instructions (Include any information that is required by Customs in your country for books coming from the U.S. If any special forms or documentation are required, be sure to include those as well. If you are using a third-party broker, please include that information as well.)

**3. Send “PMI Component Book Order Form” and payment to PMI’s Book Fulfillment Center to be processed (\*\*\*)Orders can be processed via e-mail, fax, telephone or postal mail).**

- **E-mail for PMI Book Fulfillment Center:**

[componentorders@pmi.org](mailto:componentorders@pmi.org)

- **Fax for PMI Book Fulfillment Center:**

Fax to +1-770-280-4113, Attn: PMI Component Book Orders

- **Telephone Numbers for PMI Book Fulfillment Center:**

United States: 1-866-276-4PMI

All other locations: +1-770-280-4129.

Hours: Monday – Friday, 9:00 a.m. – 5:00 p.m. Eastern Time

- **Mailing Address for PMI Book Fulfillment Center:**

PMI Book Fulfillment Center

Attn: PMI Component Book Orders

P.O. Box 932683

Atlanta, GA 31193 USA

\*\*\* At this time, the 40% discount cannot be applied to online orders ([www.pmibookstore.org](http://www.pmibookstore.org)); however, PMI is working toward an enhanced e-commerce Web site which will enable this functionality in the future.

### **Book Order Payment Options**

**4. Please choose one of the following payment options to place your PMI Component’s book orders:**

- **Check** - Please make checks payable to “PMI” and reference invoice numbers, quotes or purchase order number on checks.

- **Credit Card**

- American Express
- Diner's Club
- Discover
- MasterCard
- Visa

- **Wire Transfer:** Payable to “PMI” -please reference invoice numbers , quotes or purchase order number on transfers

Wachovia Bank, N.A.

3515 West Chester Pike

Newtown Square, Pennsylvania 19073 USA

Phone: +1-610-356-2265 Fax: +1-610-359-9432

**Account Number: 2014183097209**

Routing Transit Number: 031201467

Swift Code: PNBPU33

Contact: Maria Antonucci +610-891-1088

- **Purchase Order-** Purchase orders are accepted via fax or mail after a customer has established a credit relationship in conformity with PMI's credit policy. Payment terms are net 30 days. Please contact PMI's Book Fulfillment Center at [Bookstore@pmi.org](mailto:Bookstore@pmi.org) for detailed information regarding credit extension.
- \*Further information to process the order will be communicated upon receipt of the request.

## **D1. Use of PMI Logo**

Only PMI GOC may approve or allow the use of the PMI logo. Please note that the PMI logo indicates communications and programs sponsored by PMI. The PMI logo may not be used on component web sites, newsletters, directories, banners, letters, etc.

All requests to use the PMI logo must be forwarded to PMI's Brand Development department.

Please see "Use of PMI Intellectual Property" policy for further usage guidelines.

## **D2. Use of PMI Intellectual Property**

As PMI grows and becomes more widely recognized and respected as the world's leading professional association in the area of project management, its intellectual property (its trademarks and copyrighted written materials and products) increases in value, and PMI must use its best efforts to protect these assets. PMI Components can help us in these efforts by properly using and attributing PMI trademarks and copyrighted material in accordance with the guidelines provided below.

These guidelines apply to PMI Component organizations, including PMI Chapters, Specific Interest Groups (SIGs), and Colleges. With these guidelines, PMI seeks to provide components with general information on the proper and permitted use of PMI's intellectual property. Specific questions not addressed herein regarding proper use of PMI marks or its copyrighted materials should be directed to PMI's Legal Department.

### **I. PMI TRADEMARK USAGE**

The purpose of a trademark is to permit a trademark owner to differentiate its products, goods or services from those of others; trademarks also serve to help consumers in identifying the source of a product, good, or service. A valid mark may be registered for an owner to use exclusively in conjunction with the owner's product, good, service, or in the case of PMP<sup>®</sup> and CAPM<sup>®</sup>, a certification program. The unauthorized use of a mark in a confusingly similar manner constitutes trademark infringement. However, third parties can use a trademark without specific authorization from the owner to refer to the trademark owner's products or services, so long as proper attribution to the mark and owner are given and there is no confusion as to the source of the good, product or service associated with the mark.

#### **Definitions:**

**Mark:** The term "mark" includes any trademark, service mark, collective mark, or certification mark.

**Trademark:** A trademark is a word, phrase, logo, other designation, or a combination thereof used by an organization to identify or distinguish its products from those of another. The term "trademark" is also used generically to refer to any type of mark. An owner of a trademark may prevent others from using the trademark without the owner's consent.

**Service Mark:** A service mark is a word, phrase, logo, other designation, or a combination thereof used by an organization to identify or distinguish its services from those of another.

**Collective Mark:** A collective mark is a word, phrase, logo, other designation, or a combination thereof used by members of a particular association or group to indicate membership.

**Certification Mark:** A certification mark is a word, phrase, logo, other designation, or a combination thereof used to indicate that the user has met specific qualifications established by the certifier.



**A. List of PMI Marks**


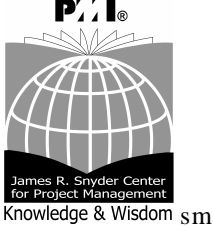




**LIST OF PMI MARKS**



Note: An omission from this list does not constitute a waiver of any intellectual property rights that PMI may have established in any other marks.

<b>MARK</b>	<b>TYPE OF MARK / STATEMENT</b>
Building professionalism in project management.®	A registered trade and service mark.  Accompanying ownership statement: “BUILDING PROFESSIONALISM IN PROJECT MANAGEMENT is a registered trademark and service mark of the Project Management Institute, Inc.”
Making Project Management Indispensable for Business Results®	A registered service mark.  “MAKING PROJECT MANAGEMENT INDISPENSABLE FOR BUSINESS RESULTS is a registered service mark of the Project Management Institute, Inc.”
CAPM®	A registered certification mark.  Accompanying ownership statement: “CAPM is a registered certification mark of the Project Management Institute, Inc.”  Note: The registration symbol ® should appear whenever the mark modifies an element of the certification process, e.g., PMP® Certification Handbook, PMP® exam, PMP® certification, PMP® program, etc. The ® should not appear when the mark is used after a person’s name.
OPM3®	A registered trademark.  Accompanying ownership statement in connection with the OPM3 standard publication and CD: “OPM3 is a registered trade mark of the Project Management Institute, Inc.”
OPM3 ProductSuite™	A trademark and service mark.  Accompanying ownership statement: “OPM3 PRODUCT SUITE is a trademark and service mark of the Project Management Institute, Inc.”

MARK	TYPE OF MARK / STATEMENT
PM Network®	<p>A registered trademark.</p> <p>Accompanying ownership statement:  “PM NETWORK is a registered trademark of the Project Management Institute, Inc.”</p>
Project Management Journal®	<p>A registered trademark.</p> <p>Accompanying ownership statement:  “PROJECT MANAGEMENT JOURNAL is a registered trademark of the Project Management Institute, Inc.”</p>
PMI Today®	<p>A registered trademark.</p> <p>Accompanying ownership statement:  “PMI TODAY is a registered trademark of the Project Management Institute, Inc.”</p>
PMBOK®	<p>A registered trademark.</p> <p>Accompanying ownership statement:  “PMBOK is a registered trademark of the Project Management Institute, Inc.”</p> <p>Must always be followed by the descriptor “Guide.”</p>
PMI®	<p>A registered trade and service mark.</p> <p>Accompanying ownership statement:  “PMI is a registered trademark and service mark of the Project Management Institute, Inc.”</p> <p>Note: The registration symbol ® should only be used when the mark is followed by a product or service, e.g., PMI® certification; PMI® R.E.P. Program, etc. The ® should not be used when the letters are an abbreviation for the corporate name, e.g., PMI’s address, PMI staff, etc.</p>
PMI Certified OPM3 Assessor™	<p>A certification mark.</p> <p>Accompanying ownership statement:  “PMI APPROVED OPM3 ASSESSOR is a certification mark of the Project Management Institute, Inc.</p>
PMI Certified OPM3 Consultant™	<p>A certification mark.</p> <p>Accompanying ownership statement:  “PMI APPROVED OPM3 CONSULTANT is a certification mark of the Project Management Institute, Inc.</p>
PMI Registered OPM3 Consultancy™	<p>A collective mark.</p> <p>Accompanying ownership statement:  “PMI REGISTERED OPM3 CONSULTANCY is a collective mark of the Project Management Institute, Inc.</p>

MARK	TYPE OF MARK / STATEMENT
PMP®	<p>A registered certification mark.</p> <p>Accompanying ownership statement:  “PMP is a registered certification mark of the Project Management Institute, Inc.”</p> <p>Note: The registration symbol ® should appear whenever the mark modifies an element of the certification process, e.g., PMP® Certification Handbook, PMP® exam, PMP® certification, PMP® program, etc. The ® should not appear when the mark is used after a person’s name.</p>
Project Management – It’s In Everything We Do!®	<p>A registered service mark.</p> <p>Accompanying ownership statement:  “PROJECT MANAGEMENT – IT’S IN EVERYTHING WE DO is a registered service mark of the Project Management Institute, Inc.”</p>
Project Management Professional®	<p>A registered service mark.</p> <p>Accompanying ownership statement in connection with the PMP certification services:  “PROJECT MANAGEMENT PROFESSIONAL is a registered service mark of the Project Management Institute, Inc.”</p> <p>Note: The registration symbol ® should only be used when the mark modifies an element of the certification process, e.g., the Project Management Professional® certification program, the Project Management Professional certificate, etc.</p>
SeminarsWorld®	<p>A registered service mark.</p> <p>Accompanying ownership statement:  “SEMINARS WORLD is a registered service mark of the Project Management Institute, Inc.”</p>
ESeminarsWorld <sup>sm</sup>	<p>A service mark.</p> <p>Accompanying ownership statement:  “ESEMINARS WORLD is a service mark of the Project Management Institute, Inc.”</p>
Logo: Corporate Council 	<p>A registered service and collective mark.</p> <p>Accompanying ownership statement:  “The PMI Corporate Council logo is a registered service and collective mark of the Project Management Institute, Inc.”</p>
Logo: Global Accreditation Center for Project Management 	<p>A registered service mark.</p> <p>Accompanying ownership statement:  “The PMI Global Accreditation Center logo is a registered service mark of the Project Management Institute, Inc.”</p>




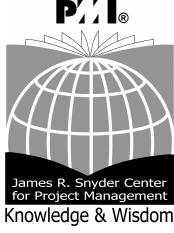

MARK	TYPE OF MARK / STATEMENT
<p>Logo: Registered Education Provider</p> 	<p>A registered service and collective mark.</p> <p>Accompanying ownership statement:          “The PMI Registered Education Provider is a registered service and collective mark of the Project Management Institute, Inc.”</p>
<p>Logo: K&amp;W Center</p> 	<p>A service mark.</p> <p>Accompanying ownership statement:          “The PMI Knowledge and Wisdom Center logo is a service mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMP credential icon</p> 	<p>A registered certification mark.</p> <p>Accompanying ownership statement:          “The PMP credential logo is a registered certification mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMP Program (old)</p> 	<p>A registered service mark.</p> <p>Accompanying ownership statement:          “The PMP Program logo is a registered service mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMP Program (new)</p> 	<p>A service mark.</p> <p>Accompanying ownership statement:          “The PMP Program logo is a service mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMI Certification Program</p> 	<p>A registered service mark.</p> <p>Accompanying ownership statement:          “The PMI Certification Program logo is a registered service mark of the Project Management Institute, Inc.”</p>
<p>Logo: Project Management Institute</p>	<p>A registered trade and service mark.</p> <p>Accompanying ownership statement:</p>






MARK	TYPE OF MARK / STATEMENT
	<p>“CAPM is a registered trademark and service mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMI Supplier Alliance <sup>tm</sup></p> 	<p>A collective mark.</p> <p>Accompanying ownership statement:  “The PMI Supplier Alliance logo is a mark of the Project Management Institute, Inc.”</p>
<p>Logo: PMI Educational Foundation</p> 	<p>A registered service mark.</p> <p>Accompanying ownership statement:  “The PMI Educational Foundation logo is a registered service mark of the PMI Educational Foundation, Inc.</p>
<p>Empowering the Future of Project Management.®</p>	<p>A registered service mark.</p> <p>Accompanying ownership statement:  “EMPOWERING THE FUTURE OF PROJECT MANAGEMENT is a registered service mark of the PMI Educational Foundation, Inc.</p>

Note: An omission from this list does not constitute a waiver of any intellectual property rights that PMI may have established in an additional name or logo.

MARK	STATUS*	TYPE OF MARK / STATEMENT
Building professionalism in project management.	®	Registered trade and service mark.  Accompanying ownership statement: “Building Professionalism In Project Management” is a registered trademark and service mark of the Project Management Institute, Inc.
Making Project Management Indispensable for Business Results	®	Registered service mark.  “Making Project Management Indispensable For Business Results” is a registered service mark of the Project Management Institute, Inc.
CAPM	®	Certification mark.  Accompanying ownership statement: “CAPM” is a registered certification mark of the Project Management Institute, Inc.
OPM3	®	Registered trademark.  Accompanying ownership statement in connection with the OPM3 standard publication and CD: “OPM3” is a registered trade mark of the Project Management Institute, Inc.
OPM3 ProductSuite	TM	Trademark and service mark.  Accompanying ownership statement: “OPM3 Product Suite” is a trademark and service mark of the Project Management Institute, Inc.
PM Network	®	Registered trademark.  Accompanying ownership statement: “PM Network” is a registered trademark of the Project Management Institute, Inc.
Project Management Journal	®	Registered trademark.  Accompanying ownership statement: “Project Management Journal” is a registered trademark of the Project Management Institute, Inc.
PMI Today	®	Registered trademark.  Accompanying ownership statement: “PMI Today” is a registered trademark of the Project Management Institute, Inc.
PMBOK	®	Registered trademark.  Accompanying ownership statement: “PMBOK” is a registered trademark of the Project Management Institute, Inc.  <b>Must always be followed by the descriptor “Guide.”</b>

MARK	STATUS*	TYPE OF MARK / STATEMENT
PMI	®	Registered trade and service mark.  Accompanying ownership statement: “PMI” is a registered trademark and service mark of the Project Management Institute, Inc.
PMI Approved OPM3 Assessor	TM	Certification mark.  Accompanying ownership statement: “PMI Approved OPM3 Assessor” is a certification mark of the Project Management Institute, Inc.
PMI Approved OPM3 Consultant	TM	Certification mark.  Accompanying ownership statement: “PMI Approved OPM3 Consultant” is a certification mark of the Project Management Institute, Inc.
PMI Registered OPM3 Consultancy	TM	Service mark.  Accompanying ownership statement: “PMI Registered OPM3 Consultancy” is a Service mark of the Project Management Institute, Inc.
Project Management – It’s In Everything We Do!	®	Registered service mark.  Accompanying ownership statement: “Project Management – It’s In Everything We Do” is a registered service mark of the Project Management Institute, Inc.
Project Management Professional	®	Registered service mark.  Accompanying ownership statement in connection with the PMP certification services: “Project Management Professional” is a registered service mark of the Project Management Institute, Inc.
SeminarsWorld	®	Registered service mark.  Accompanying ownership statement: “SeminarsWorld” is a registered service mark of the Project Management Institute, Inc.
eSeminarsWorld	SM	Service mark.  Accompanying ownership statement: “eSeminarsWorld” is a service mark of the Project Management Institute, Inc.
Logo: Career Headquarters  	®	Registered service and collective mark.  Accompanying ownership statement: “The PMI Career Headquarters logo” is a registered service mark of the Project Management Institute, Inc.

MARK	STATUS*	TYPE OF MARK / STATEMENT
<p>Logo: Corporate Council</p> 	®	<p>Registered service and collective mark.</p> <p>Accompanying ownership statement:            “The PMI Corporate Council logo” is a registered service and collective mark of the Project Management Institute, Inc.</p>
<p>Logo: Global Accreditation Center for Project Management</p> 	®	<p>Registered service mark.</p> <p>Accompanying ownership statement:            “The PMI Global Accreditation Center logo” is a registered service mark of the Project Management Institute, Inc.</p>
<p>Logo: Registered Education Provider</p> 	®	<p>Registered service and collective mark.</p> <p>Accompanying ownership statement:            “The PMI Registered Education Provider logo” is a registered service and collective mark of the Project Management Institute, Inc.</p>
<p>Logo: K&amp;W Center</p> 	SM	<p>Unregistered service mark.</p> <p>Accompanying ownership statement:            “The PMI Knowledge and Wisdom Center logo” is a service mark of the Project Management Institute, Inc.</p>
<p>Logo: PMP credential icon</p> 	®	<p>Registered certification mark.</p> <p>Accompanying ownership statement:            “The PMP credential logo” is a registered certification mark of the Project Management Institute, Inc.</p>
<p>Logo: PMP Program (old)</p>	®	<p>Registered service mark.</p> <p>Accompanying ownership statement:            “The PMP Program logo” is a registered service mark of the Project Management Institute, Inc.</p>

MARK	STATUS*	TYPE OF MARK / STATEMENT
		
Logo: PMP Program (new) 	SM	Service mark.  Accompanying ownership statement: “The PMP Program logo” is a service mark of the Project Management Institute, Inc.
Logo: PMI Certification Program 	®	Registered service mark.  Accompanying ownership statement: “The PMI Certification Program logo” is a registered service mark of the Project Management Institute, Inc.
Logo: Project Management Institute 	®	Registered trade and service mark.  Accompanying ownership statement: “The Project Management Institute logo” is a registered trademark and service mark of the Project Management Institute, Inc.
Logo: PMI Educational Foundation 	®	Registered service mark.  Accompanying ownership statement: “The PMI Educational Foundation logo” is a registered service mark of the PMI Educational Foundation, Inc.
Empowering the Future of Project Management.	®	Registered service mark.  Accompanying ownership statement: “Empowering The Future of Project Management” is a registered service mark of the PMI Educational Foundation, Inc.

\*The proper trademark symbol is determined by the registration status of the mark. The symbol ® should only appear with a mark that has been registered; ™ should appear with any unregistered mark that is used in connection with goods (i.e. PMI Today™ and OPM3™); and SM should appear with any unregistered mark that is used in association with services (i.e. eSeminarsWorld SM)

## B. Guidelines for Use of PMI Marks by PMI Components

(i) **Proper Use of PMI Trade or Service Marks.** Under the terms of their Charters, all PMI Components have been granted permission to use PMI trade or service marks for legitimate, non-profit

component purposes, except as otherwise stated elsewhere in this Manual or the Component Charter (i.e., PMI logo use must be approved by PMI, per Section VIII.D.D1). All such uses of PMI trade or service marks by PMI Components will be in a fair and appropriate manner, consistent with the terms and requirements of this policy and all applicable laws and regulations. In addition, all such uses will conform to the guidelines for use of PMI marks by PMI, as set forth above. Components may not use PMI trade or service marks in conjunction with any third parties, or to sponsor or endorse any non-PMI products or services without the express written permission of the PMI CEO.

(ii) **Alterations of PMI Trade or Service Marks** Only upon the prior, express, written authorization of the PMI CEO may PMI Components be permitted to alter a PMI trade or service mark in a specific, designated way (e.g., including the Chapter name in the PMI logo).

(iii) **Proper Use of PMI Certification Marks** PMI will permit PMI Components to use PMI certification marks only to describe, or refer to, the Institute's Certification Programs. No other use of PMI certification marks is permitted. Any permitted uses of PMI certification marks by PMI Components will be in a fair and appropriate manner, consistent with all applicable laws and regulations, including the terms and requirements of this Policy.

(iv) **Use In Conjunction with Third Parties.** PMI Components may not use the institute's trade, service or certification marks, or modified versions thereof, in any manner whatsoever with any third party, including businesses and vendors, without obtaining prior, express, written permission from the PMI. However, third parties are free to use PMI text marks (i.e., not logos) to refer to PMI products and services, as long as such references are truthful, fair, not misleading, and comply with these guidelines.

### C. Examples of Correct and Incorrect Usage of PMI Marks

(i) PMI certification marks (PMP and CAPM) are intended to be used by authorized individuals to show that they have met their respective certification. When a certification mark is used immediately following a certificant's name, for example on business cards, the registration symbol and attribution statement need not appear.

(ii) PMI and third parties may use PMI's certification marks when referring to the respective examination or certification. In such case, the first appearance of the mark should include the words spelled out, followed by the mark in parentheses with the appropriate trademark symbol.

Examples:

Project Management Professional (PMP®) certification.

Certified Associate in Project Management (CAPM®) exam.

(iii) To be properly protected, a mark should not be used as a noun – it should be used as an adjective with a generic term following it, e.g., PMBOK® Guide, PMP® certification, PMI® Seminars, etc. Therefore, use of PMP and PMPs is discouraged in favor of “PMP® certificant” and “PMP® certificants. (This rule does not apply to slogans or logos, however, as they generally stand alone.)

#### **CORRECT**

Refer to the *PMBOK® Guide*.

PMI® Certification Program

PMI's certification program

PMP® certificants

#### **INCORRECT**

Refer to the PMBOK®

PMI® [with no generic term]

PMI®'s certification program

PMPs; PMPs®

(iv) When a registered mark is properly used in connection with goods or services for which it is registered, the registration symbol ® should be used. If a registered mark is being used in connection with new products or services for which it is not yet registered, use TM or SM instead of the ®.

(v) Trade names are the business names of companies and are often used as trademarks as well. If “PMI” is being used to refer only to the Project Management Institute, Inc., it is being used as a trade name rather than as a trade or service mark. A trade name is a noun; therefore, the trade name “PMI” may be used in the possessive case, while the trademark may not.

**CORRECT**

PMI’s by-laws  
PMI is the world’s leading...

**INCORRECT**

The PMI® by-laws  
PMI® is the world’s leading...

(vi) Third parties may not incorporate any PMI mark or logo into their own product names, services, trademarks, logos, company names or domain names, and may not adopt marks or logos that are similar to PMI’s marks and logos.

**CORRECT**

pmcertificate.com

**INCORRECT**

pmpcertificate.com

Only third parties expressly authorized by PMI to use a PMI logo (e.g. by executed agreement) may use such logo. In such cases, only the PMI approved artwork for the specific logo may be used.

**D. Attribution Statement.**

Each document or product (whether in print or electronic form) in which any PMI mark appears (e.g., in marketing materials, white papers, advertisements, press releases, brochures, Web site pages, etc.) should contain an attribution statement at or near the first appearance of the mark, or if multiple marks appear, in a logical and prominent place within the document.

(a) If the registration status and type of mark are known, the attribution statement should appear in the following form:

\_\_\_\_\_ is a [registered] [certification, trade, service, or collective] mark  
of Project Management Institute, Inc.

(b) If the registration status and type of mark are not known, or if multiple types of marks must be listed, the attribution statement may simply take the following form, provided, that the registration symbol appears with each registered mark in the document:

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, are marks of Project  
Management Institute, Inc.

**II. PMI COPYRIGHTED MATERIALS**

Copyright laws give an author or creator of an original work the exclusive right to reproduce, distribute, or otherwise use that work for a fixed time period. The author or creator of a copyrighted work may legally assign his or her rights in the work to a third party, and in such instance the third party becomes the copyright holder.

All Standards, Periodicals, and Books produced or published by PMI are PMI copyrighted materials and are protected under copyright law. Requests to obtain copies of, or to use, PMI copyrighted materials should be directed to the appropriate department at PMI as directed below. For research and symposia papers presented at PMI events, authors retain the copyright in such works and grant PMI a license to publish.

## C.. Guidelines for Use of PMI Copyrighted Material by PMI Components

### (i) **Reproduction and Distribution of PMI Copyrighted Material.**

(a) **Photocopies.** Under the terms of their Charters, all PMI Components have been granted permission to photocopy and distribute certain PMI copyrighted materials, or portions thereof, for **legitimate, non-profit, internal Component related use.**

- These materials are limited to individual Chapters of the PMBOK® Guide and articles from *PM Network*<sup>®</sup>, *PMI Today*, and Friday FACTS.
- Components may distribute such materials only to component members and may not charge any fee for such reproductions other than a reasonable charge designed to cover duplication and distribution costs.
- Components may distribute such materials in print format only and may not distribute in any electronic or digital format.

### (b) **Reproduction of Periodicals in Component Publications.**

- Components are permitted to reproduce the text content from all *PMI Today* and Friday FACTS in original publications or products created by components.
- Components may reproduce, as part of an original Component publication, a total of four (4) articles per year from the PMI publications *PM Network*<sup>®</sup>, *Project Management Journal*<sup>®</sup>, and PMI Global Congress Proceedings at no charge and no specific permission request to PMI is needed.
- For individual component use of more than four (4) articles per year, components must request permission from PMI and must pay an administrative fee of \$10 per article. Permissions requests must be submitted through the PMI Website. [http://www.pmi.org/info/PIR\\_OnlinePermissionsForm.asp](http://www.pmi.org/info/PIR_OnlinePermissionsForm.asp).
- Components may reproduce text only and are not permitted to reproduce photos, artwork, charts or graphs. Components may reproduce these materials in print or electronic formats; however, if such materials are to be placed on the Internet, they must be placed on a secure, password protected section of the components Web site and may not be made available to the general public over the Internet or through any other electronic means. Components must provide full notification of PMI's copyright in the reproduced material.

### (c) **Reproduction of Materials from PMI's Standards.**

- Components may reproduce up to 250 words from PMI Standards, excluding Section and Chapter headings.
- As an added benefit, components are permitted to reproduce definitions from the PMBOK® Guide Glossary (in English language only). Components are not required to request permission from PMI and are not charged for these limited uses. However, pursuant to this limited grant, components may not reproduce any graphics (figures, tables, charts).
- For more extensive use material from PMI's Standards (including reproduction of section and chapter headings, use of graphics, and translations), components must request permission from PMI. Upon request from a component, PMI will permit such component to reproduce graphics and additional material from PMI's Standards free of charge, so long as the publication or product is distributed to component members only.

(d) **Third Party Use Prohibited.** Components may not use, license, assign, convey any PMI copyrighted materials in any manner whatsoever with any third party, including businesses and vendors, without obtaining prior, express, written permission from PMI and the payment of such fees as PMI may determine.

### (ii) **Derivative Works**

- (a) **Definition.** For the purposes of this policy, a “derivative work” is a product or publication (a) that contains 35% or more of the material from a PMI publication, or (b) that follows the structure and arrangement of material as the PMI publication, or (c) in which PMI material comprises 50% or more of the total content of the Component’s product or publication (regardless of whether it contains less than 35% of the total content of the PMI publication from which it is derived), or (d) a translation of a PMI product or publication from one language to another language. For purposes of this definition “PMI material” means the actual text of the PMI publication and does not refer to underlying concepts or ideas being expressed.
- (b) **Internal Component Use.** Upon request by the component, PMI will grant the component permission to create derivative works at no fee or royalty on condition that the derivative work will be distributed to component members only for legitimate, non-profit, component-related purposes provided that (a) the component has obtained a written contract from PMI expressly authorizing the derivative work on such terms and conditions as PMI in its sole determination may require and (b) the component charges no fee for its product, except for reasonable costs for reproduction. Such requests must be submitted through PMI’s website.  
[http://www.pmi.org/info/PIR\\_OnlinePermissionsForm.asp](http://www.pmi.org/info/PIR_OnlinePermissionsForm.asp).
- (c) **Use with General Public or Third Parties.** Upon request by component, PMI will grant Component permission to create derivative works for a fee and/or contingent upon the payment of a royalty where the derivative work will be distributed to persons other than Component members provided that the Component has obtained a written contract from PMI expressly authorizing the derivative work on such terms and conditions as PMI in its sole determination may require.
- (d) **Copyright; Notice.** All derivative works must contain a notice stating that the work is a derivative of the applicable PMI material(s) and that it has been produced with the permission of PMI.

Except for translations of PMI publications, the PMI component(s) creating the derivative work will actively obtain and own the copyright in that work, and will be responsible for registration of that copyright with the United States Copyright Office, or appropriate foreign government office.

PMI Components holding a copyright in a derivative work will be required to immediately notify PMI in the event of any infringement of either the PMI copyright, or the derivative work copyright, by a third party; and cooperate with PMI with respect to any action taken by PMI concerning such infringement.

Two (2) copies of the derivative work must be forwarded to PMI upon publication of the derivative work.

Components may not use, license, assign, or convey any derivative works based on PMI copyrighted materials in any manner whatsoever with and/or to any third party, including businesses and vendors, without obtaining prior, express, written permission from PMI.

Any uses of derivative works based on PMI copyrighted materials not permitted under the terms of the Component Charter require the prior, express, written permission of PMI.

- (e) **Unofficial Translations.** PMI will not grant any Component or other entity the right to translate the *PMBOK<sup>®</sup> Guide* into languages in which PMI publishes an official translation. However, for other languages or publications, PMI will entertain requests to translate the materials on an unofficial and nonexclusive basis. All requests for the right to translate PMI materials must be made in writing to PMI. The components and any individuals or entities assisting the Component in the translation process of any PMI publication and must complete a Copyright Assignment assigning copyright in

the translation to PMI, which is signed by the individuals who have authored, or are authoring, the derivative work in favor of the Component.

Once a request for a derivative work has been approved by PMI, PMI Global Operations Center will issue a written authorization to the Component, consistent with the terms of this Policy, which will permit the derivative work. No oral permissions may be granted.

## E. Component Communication Policies

### E1.PMI Component Web Sites: Hosting and Designing Guidelines

PMI Components should consider development of a Web site for marketing, communication and membership purposes. PMI provides various services and considerations for PMI Components embarking upon Web site development. Terms, conditions and technical service are included in this section.

#### COMPONENT WEB SITE HOSTING

When establishing a Web site presence, the component should consider hosting options. The component Web site can be hosted on:

- PMI's Web site at no charge
  - A private Internet Service Provider (ISP)
  - A PMI Component's server.
- **Hosting on the PMI Web site**

#### Component Web site Hosting Agreement

PMI Components whose Web sites are hosted by PMI are required to sign a "Component Web site Hosting Agreement".

PMI GOC will provide **10 megabytes** of space on its Web site for components at no charge for a period of two (2) years. A notice of expiration will be sent to the component ninety (90) days prior to the end of the (2) two-year period. After two years, components may apply for a one-time extension for PMI GOC to continue hosting its Web site. PMI will evaluate the component's application and will grant extensions at its discretion. Unless otherwise noted, upon expiration, PMI GOC's hosting services will be discontinued and the component's Web site will be removed.

\* Components exceeding 10 megabytes will be sent a letter indicating ninety (90) days notice to decrease the size of their page(s). **Failure to do so will result in no further updates until the site is scaled back to 10 megabytes or less.**

#### Domain Names

When hosting on PMI's Web site, the component will receive a Web site address under the pmi.org domain name. PMI Component Web site naming adheres to the following convention:

[HTTP://Chapter.PMI.ORG/ChapterName](http://Chapter.PMI.ORG/ChapterName)

[HTTP://SIG.PMI.Org/SIGName](http://SIG.PMI.Org/SIGName)

[HTTP://College.PMI.Org/CollegeName](http://College.PMI.Org/CollegeName)

#### Uploading Component Web Site Files to PMI's Server:

PMI supports only basic HTML pages on the server. All Web site files should be placed into a zip file and e-mailed to [webmaster@pmi.org](mailto:webmaster@pmi.org) for uploading to the PMI server. Pages will be updated within 24-48 hours upon receipt during PMI's regular business hours. When the PMI Webmaster is unavailable, PMI's IT Department will designate a replacement to ensure continuous service.

#### Restrictions to PMI's Service:

All HTML pages for a Component Web site are to be developed by the component. PMI does not offer file transfer protocol (FTP) access to upload Web site files to PMI's server. PMI does not provide technology or support in the development to a PMI Component Web site similar to counters, online forms, database setup, support of customized CGI scripts, etc.

General questions about types of Web site design software or any other questions regarding the design of the site may be e-mailed [webmaster@pmi.org](mailto:webmaster@pmi.org).

- **Hosting with an Internet Service Provider (ISP)**

When hosting with an ISP, more advanced capabilities may be available for the component's Web site such as online forms, database driven pages for member areas, surveying and discussion groups. When researching ISP providers, verify costs; monthly hosting fees will vary greatly depending upon the component's individual support needs.

**Domain Names**

Domain names must clearly identify the component organization as the sponsor of the Web site and not PMI. PMI recommends using "PMI" and the component's name in the domain name, as shown in the following examples: [www.pmibuffalochapter.org](http://www.pmibuffalochapter.org) and [www.pmi-autosig.org](http://www.pmi-autosig.org). The ".ORG" extension is also recommended in the domain to identify it as a non-profit organization.

It is not acceptable to use domain names that may misrepresent the component. For example, a chapter based in Croatia should avoid registering the domain name [www.pmicroatia.org](http://www.pmicroatia.org). Rather, the domain name should be: [www.pmicroatiachapter.org](http://www.pmicroatiachapter.org).

The component's domain name requires a fee. Verisign ([www.netsol.com](http://www.netsol.com)) charges a nominal fee for registering and renewing an .ORG domain name.

\* PMI does not host registered domain names.

## **DESIGNING THE WEB SITE**

### **General Guidelines**

For information on designing a component's Web site, please reference PMI Component Web site Template Guidelines. In order to utilize the component Web site templates, the component must have a logo, in alignment with PMI's graphic standards that has been approved by PMI GOC. For further information on PMI Graphic Standards, please consult the PMI Component Policies Manual.

PMI's logo may be used on the component's Web site, but only as a link back to PMI's Home Page. Links to the PMI Home Page must open to a new/separate browser window.

All Web content published by PMI Components must adhere to PMI's electronic use and intellectual property policies. Failure to abide by these requirements is grounds for PMI to take further action, such as refusing to upload the page or removing the page from PMI's server. Any use of PMI's intellectual property must be properly marked. Reference PMI's Intellectual Property Guidelines.

PMI will review component Web sites on an ongoing basis to ensure compliance with PMI's intellectual property policies

## **E2. PMI Component Web sites: Linking to the PMI Home Page**

Components are permitted, and indeed encouraged to link to the PMI Home Page on the component's agreement to the terms and conditions listed below. Components are also permitted to link to the overview pages within the main areas/sections of the PMI Web site (i.e. PMI Certification Overview, PMI Membership Overview, PMI Knowledge & Wisdom Center). No other linking to the PMI Web site is permitted.

### **Terms and Conditions Affecting Web Links from Components to PMI.**

1. **Proper Form of Link:** PMI Components are permitted to link to PMI's Home page using one of the following forms: the name "Project Management Institute," the initials "PMI" or the PMI Logo.
2. **No Misrepresentations:** PMI Components may not misrepresent its relationship with PMI or present false or misleading impressions about PMI.
3. **No Framing:** PMI Components will not place PMI Web pages in a "frame" within its own Web site without specific written permission from PMI.
4. **No Negative References:** PMI Components may not make negative or disparaging references to PMI, its services or its members or otherwise compare PMI, its services or its members unfavorably to others.
5. **No Objectionable Content:** PMI Components' Web sites must not contain, or link to, content that may be interpreted as libelous, obscene or criminal, or which may infringe or violate any third party rights.
6. **Protection of Marks:** PMI Components may not use PMI names, marks or other materials in a manner that is likely to cause confusion with another source or to dilute or damage the reputation or image of PMI.
7. **Proper Use of PMI Logo:** PMI Components' use of the PMI logo for linking purposes will conform in all respects to the logo usage guidelines. The PMI Logo may only be used as a link to the PMI Home Page and not to link to any other portion of the PMI Web site. Contact the PMI Brand Development to obtain a copy of the guidelines before establishing the link. If linking to an overview page on the PMI Web site, please use appropriate text to name the overview section.
8. **Indemnification:** PMI shall have no responsibility or liability for any content appearing on its Web site. PMI Components agree to indemnify and defend PMI against all claims arising out of or based upon its Web site.
9. **Right to Revoke:** PMI reserves the right at any time and in its sole discretion to revoke this right and request that the component remove from its Web site any link(s) to the PMI Web site.
10. **Amendment to Terms and Conditions:** PMI reserves the right to amend these linking terms and conditions at any time. By continuing to link to the PMI Web site, the component agrees to abide by the linking terms and conditions then current, as well as other legal terms of use and conditions on the PMI Web site, as amended from time to time.

## **F. Component Educational Activity Policies**

### **F1. Policy For PMI Chartered Components: Giving Category 3 (R.E.P.) Professional Development Units (PDUs) for PMI Chartered Component Events**

*A Professional Development Unit (PDU) is the measuring unit used to quantify approved learning and professional service activities related to project management. One (1) PDU is earned for every one hour spent in a planned, structured learning experience or activity. Fractions of PDUs may be reported as .25 increments following one full hour.*

- All PMI Chartered Components can issue Category 3 PDUs for their programs and events. There are two types of PMI Component Events:
  - Events qualifying for 1 to 2 PDUs (i.e. Component Monthly Meetings, Webinars, etc)
    - No event registration by the Component is necessary. Component **DOES NOT** enter event into the R.E.P. Database.
    - Option: At their discretion, Chartered PMI Components may report the 1-2 PDUs for those PMPs who attended their 1 to 2 PDUs events by using the “PMI Chartered Component: 1-2 PDU Event Group Reporting Form”
  - Events qualifying for 2 or more PDUs (i.e. Workshops, Seminars, Professional Development Days, Conferences)
    - All PMI Chartered Components **must** register events qualifying for 2 or more PDUs in the R.E.P. database and issue Category 3 PDUs to their attendees.
- A PMI Chartered Component should display their component logo to promote their respective events qualifying for PDUs. The R.E.P logo is intended for registered R.E.P. Organizations use only.

### **PROCEDURES FOR PMI CHARTERED COMPONENTS TO GIVE PDUS**

Please see document entitled “Procedures for PMI Component Events: Giving Professional Development Units (PDUs)”

### **SERVICES/RESOURCES**

Although PMI Chartered Components do not have to enroll as an R.E.P., they will have access to the following R.E.P. services/resources:

1. PMI Chartered Components are listed on the R.E.P. Provider Directory on PMI’s Web site. The Component name, Web site, state and country are included. The directory does not accept individual names and contact information.
2. PMI Chartered Components have access to the R.E.P. Administrative Updates Site (<http://sparky.occe.ou.edu/pmi/REPlogin.cfm>), to register and maintain, online, their component’s events of 2 PDUs or more. To access the site, insert Component ID Number (4 digits) and Password. If you do not know these numbers, please contact [repsupport@pmi.org](mailto:repsupport@pmi.org).
  - By using the R.E.P. Administrative Updates site, PMI Chartered Components may choose to advertise those events (2 PDUs or more) registered in the searchable listing of R.E.P. Courses.
3. PMI Chartered Component Leaders can access the R.E.P. Community Site through the PMI Component Leadership Online Community. The PMI Component leader’s personal PMI ID and password will give them access to this site (<http://rep.pmi.bluestep.net/>)
4. PMI Chartered Components have access to all regular R.E.P. communications such as the R.E.P. Monthly Update Newsletter. These communications are posted on the Component Leadership Online Community.

## **PMI CHARTERED COMPONENT PDU COURSE CONTENT GUIDELINES**

Components giving PDUs for their events are required to adhere to the following content, instructional design and delivery guidelines to insure quality and consistent programs, products and services.

1. Educational events offered for PDU credits must involve one or more PMPs in its design, delivery, or selection
2. Ensure that all courses specifically intended to prepare candidates for the PMP Examination shall be taught by instructors holding the PMP credential
3. PDU course content should be relevant to project management and should support the following areas:
  - a. One or more knowledge areas as defined by the most current edition of the *PMBOK® Guide*.
  - b. Content that significantly enables project management professionals to apply these knowledge areas – such as team building or leadership skills – may also be offered for PDU credit.
  - c. Generally accepted theories and PMI standards
  - d. Content pertaining to the use and/or application of specific products or services that enable the management of projects, providing the participants are informed in advance of the nature of the content.
  - e. Contrary theories or practices providing they are clearly identified as such and participants are informed in advance of the nature of the content.
4. Instructors should be knowledgeable and should have expert knowledge appropriate to the topic being taught and able to clearly convey the course content, facilitate learning, and provide feedback to participants.
5. PDU courses should utilize appropriate instructional design and delivery methods to meet the learning needs and interests of the participants.
  - a. Incorporate learning needs into educational offering
  - b. Utilize appropriate instructional design or selection process
  - c. Appropriate and effective evaluation processes
6. PDU event promotion and marketing material that appear in advertisements, brochures, websites, or other media should be accurate and convey realistic expectations as to what the learner may achieve, including:
  - a. Course content and learning objectives
  - b. Assessment (if applicable)
  - c. Instructor and instructor credentials
  - d. Number of PDU's
7. All events offered by Components for PDU credits will be subject to random audit.

### **GENERAL R.E.P. INFORMATION:**

PMI Chartered Components choosing to compete in the commercial training space with non-Component educational providers may formally register as R.E.P.s.

PMI Chartered Components that enroll as R.E.P.s will be subject to specific guidelines, additional fees and audit controls. For more information regarding the R.E.P. Program, please visit the R.E.P. section of the PMI Web site at [http://www.pmi.org/info/PDC\\_REPOverviewFile.asp?nav=0406](http://www.pmi.org/info/PDC_REPOverviewFile.asp?nav=0406).

### **QUESTIONS:**

For PMI Component/PMP questions concerning registering PDU events, issuing PDUs and claiming PDUs, and for general questions concerning the PMI Continuing Certification Requirement (CCR) Program:

Project Management Institute  
Four Campus Boulevard  
Newtown Square, PA 19073-3299 USA  
Telephone: +1-610-356-4600  
E-mail: [customercare@pmi.org](mailto:customercare@pmi.org)  
Fax: +1-610-356-4647

**F2. Excerpt from PMI Advertising Policy: “Claims Regarding PMI’s Certification Program”**

The following is an excerpt from PMI’s Advertising Policy. PMI Components conducting PMP® preparation courses/classes should review this policy and align their activities accordingly. To reference the PMI Advertising Policy in its entirety, please visit the PMI Web site at: [http://www.pmi.org/info/AP\\_AdvertisingPolicies.asp](http://www.pmi.org/info/AP_AdvertisingPolicies.asp).

“...PMI especially values the integrity and reputation of PMI’s Certification Program, including the Project Management Professional (PMP®) and Certified Associate in Project Management (CAPM®) credentials. In order to ensure that PMI’s credentials continue to be of great value to individuals engaged in project management, PMI requires that advertisements may not contain false or misleading statements regarding PMI’s credentials and/or their requirements (consisting of academic education, work experience, formal project management education, willingness to sign and abide by a professional code of ethics, satisfaction of continuing education/professional development requirements, and passing a multiple-choice examination concerning project management). Advertisements may not state or imply that an Advertiser’s product or service is the sole prerequisite to the attainment of a PMI credential; they must reflect that attainment of a PMI credential requires an individual to meet all of the specific requirements noted above. PMI strongly discourages Advertiser’s from making statements claiming or implying that a PMI credential may be achieved over a short time frame or with little effort as these types of statements denigrate the reputation of PMI’s credentials; the inclusion of such statements will result in PMI’s rejection of the proposed advertisement.

Additionally, any ‘guarantees’ or ‘warranties’ made by the advertiser regarding its products or services, or any other promotional offers, must be sufficiently detailed to permit the public to evaluate the accuracy and truthfulness of such claims and terms and conditions of any offers. For example, if an advertisement states that a person is ‘guaranteed to pass a PMI certification examination’ the terms of that guarantee must be fully stated such as ‘a student’s course fees will be fully refunded if student does not pass the exam and makes a request for a refund within 30 days of taking the exam’ or ‘guarantee includes permission to take Company’s course again at no charge.’ Statements including success rates or other survey results must be accompanied by a description of the survey group and the method of calculation, such as ‘Based on the results reported to the Company by 100% its customers who used a product or service in 2003...’”

## **IX. FORMS AND TEMPLATES**

1. EXAMPLE: Annual Component Charter Renewal (For Reference Only)
2. EXAMPLE: Component Charter Agreement Document (For Reference Only)
3. Sample Component By-laws Template
4. EXAMPLE: Component Web site Hosting Agreement

**The Component Annual Charter Renewal will be completed in an on-line charter renewal application process.**

**This template is “For Reference Only”.**



**COMPONENT REQUEST FOR  
ANNUAL CHARTER RENEWAL  
2006**

**In accordance with the Project Management Institute requirements, our Component has completed the necessary forms to demonstrate that the Component has satisfied the minimum standard Component performance criteria established by PMI for the period ending 31 December 2005. This report is due 1 February 2006 to PMI Global Operations Center.**

PMI may select the component’s Charter Renewal for audit. Submission of the Charter Renewal indicates agreement to comply with audit terms. During an audit, the Component will be asked to submit documentation such as copies of meeting minutes from the required annual meeting or copies of Component Board meeting minutes or more detailed financial information. These documents must also be made available to all component members upon request. Misrepresentations of information provided to PMI on the Charter Renewal will be considered a breach in the Charter Agreement. PMI shall have the authority to suspend or terminate the component’s Charter upon the determination that the Component is no longer a viable entity; that the Component is unable or unwilling to comply with the charter renewal process; or that such an action is in the best interests of PMI and in accordance with applicable policies.

**2005 Component President/Chair:** \_\_\_\_\_

**Component Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Component Name:  
2006 Component Officers & DEP Recipients**

**\*\*COMPONENT CONTACT INFORMATION FOR USE BY PMI GLOBAL OPERATIONS CENTER**

**\*\*Please Note: This information will be used by PMI for all Component related correspondence (Friday FACTS, e-mail communications, component mailings, web listing, etc.).**

**Components that have a permanent mailing or e-mail address should list this address and name the President/Chair as "Component Contact".**

Component Contact  
Name: PMI ID#  
Address:  
Telephone:  
Fax:  
E-mail:  
Website:

**2006 Component Officers & DEP Recipient Listing**

Component officers are encouraged to keep their contact information updated by visiting the Members Area of the PMI Web page at [www.pmi.org](http://www.pmi.org)

**DEP Recipients**

Double click on box to answer "yes" or "no".

**POSITION: President/Chair**

YES  NO

Date of Term - Start: End:  
Name: PMI ID#  
E-mail:

**POSITION:**  YES  NO

Date of Term- Start: End:  
Name: PMI ID#  
E-mail:

**POSITION:**  YES  NO

Date of Term - Start: End:  
Name: PMI ID#  
E-mail:

**POSITION:**  YES  NO

Date of Term- Start: End:  
Name: PMI ID#  
E-mail:

**Reprint this page to add more officers.**

**Component Name:**  
**Financial Report**

Accounting Year 1 January 2005 to 31 December 2005

Currency in which information is being reported: \_\_\_\_\_

**CHECK APPROPRIATE BOXES:**

- The component had gross income of more than \$25,000USD for the fiscal year.  
Yes                      No
- The component had non-dues revenue (e.g. sales of mugs, t-shirts, etc.)  
for the fiscal year.    Yes                      No

Components need to review and know the tax implications for unrelated business income from advertising and sponsorship revenues as they apply to your component. In the US, the Internal Revenue Service monitors not-for-profit incomes to gauge if significant portions of the component's annual revenues are realized through activities outside of the tax-exempt purpose of the organization. For more information on UBIT in the US, please contact the Internal Revenue Service at [www.irs.org](http://www.irs.org). For information on non-dues revenue implications for component outside the US, please inquire with your governmental regulation office or tax authorities.

**Balance Sheet as of 31 December 2004** \_\_\_\_\_

2005 Incoming Funds (gross receipts) \_\_\_\_\_

2005 Expenses \_\_\_\_\_

**2005 Net Total** \_\_\_\_\_

**Balance Sheet as of 31 December 2005** \_\_\_\_\_

(Add Income/Loss to Account Balance 2004)

**US Based Components ONLY**

**Tax Identification/Employer Identification Number (EIN):** \_\_\_\_\_

- The EIN reported **must** be the EIN issued by the IRS after the component incorporated. If necessary, please verify this information with the Internal Revenue Service.

**Canadian Based Components ONLY**

**Revenue Canada Registration Number:** \_\_\_\_\_

- The registration number reported **must** be the number issued after the component incorporated. If necessary, please verify this information with the Canada Customs and Revenue Agency (CCRA)

Components who filed taxes with their government MUST send a copy of the annual tax filing to PMI Global Operations Center.

By completing and signing this form, I attest that I have verified the information submitted is true and complete to the best of my knowledge.

Prepared By: \_\_\_\_\_ Signature: \_\_\_\_\_

**Date:** \_\_\_\_\_

# 2006 Charter Renewal- Operations Policies

In order for PMI Components to properly represent PMI's purpose and mission and meet PMI's Policy Guidelines and the needs of its members PMI Components **MUST**:

Double click on box to answer "yes" or "no".

- Hold annual election in accordance with the component's governing documents.  
 YES    NO
  
- File all component officer information with PMI Global Operations Center.  
 YES    NO
  
- Conduct a new officer transition/orientation meeting.  
 YES    NO
  
- Hold at least one annual membership business meeting in accordance with the component's governing documents.  
 YES    NO
  
- Confirm Component officers have met minimum board meeting attendance outlined in the component's governing documents.  
 YES    NO
  
- Have on file official Component meeting minutes.  
 YES    NO
  
- Submit to PMI the annual financial report and copies of government tax filings if required.  
 YES    NO
  
- Respond to all PMI inquiries directed to component and its Board members.  
 YES    NO
  
- PMI recommends components be represented at one Leadership Meeting per year.  
Was your component in attendance at one PMI Leadership Meeting in 2005?  
 YES    NO

## Minimum Component Performance Criteria

**Component Name:**

Did your Component meet the following minimum performance criteria in 2005?

Double click on box to answer "yes" or "no".

<b>MINIMUM COMPONENT PERFORMANCE CRITERIA</b>		
<p><b><u>Governing Documents:</u></b> Current and PMI approved governing documents (- i.e., bylaws, corporate charters, jurisdictional registrations) are on file with PMI Global Operations Center</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Insurance Payment:</u></b> Applicable Insurance Premiums Paid in Full (<a href="#">Click here for payment form sample</a>)</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Membership:</u></b> 25 members or more as of 31 December 2005.</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Charter Agreement:</u></b> Component agrees to and will continue to perform all Component affairs and activities according to the terms and conditions outlined in the Charter Agreement document signed by the Component and PMI. (<a href="#">Click here for Charter Agreement sample</a>)</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Financial Reporting:</u></b> Component fully completed and signed the financial report included in this Charter Renewal. (<a href="#">Completed the Financial Form on page 2</a>) Components who filed taxes must send a copy of the annual tax filing to PMI.</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Component Board Information</u></b> Current officer and DEP recipient information complete. (<a href="#">Completed officer form</a>)</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Operational Policies &amp; Guidelines</u></b> Component conducted its operations in a manner consistent with its governing documents and PMI policies. (<a href="#">Completed policies form</a>)</p>	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<p><b><u>Incorporation/Registration Renewal.</u></b> <a href="#">Verify:</a> Component leaders <b>must</b> review the incorporation renewal policies and confirm the date the component's incorporation renewal is due. The local jurisdictional Office of Incorporation will be able to assist with this inquiry.</p>	<input type="checkbox"/> Current	<input type="checkbox"/> Expired
<p><b><u>Completed by:</u></b> <u>President/Chair Signature:</u> <a href="#">Typed name will be accepted as legally binding.</a> PMI ID#: _____ <u>Date:</u> _____ By completing and signing this form, I attest that I have verified the information submitted is true and complete to the best of my knowledge and that the Component has satisfied the minimum standard Component performance criteria established by PMI.</p>		

## **EXAMPLE: PMI Component Charter Agreement (For Reference Only)**

### **(Incorporated/Registered Name of PMI Component)**

The Project Management Institute, Incorporated, (hereinafter referred to as “PMI®”) is the worldwide, non-profit, professional organization representing its members and through them, the practice and the profession of project management. Article XIII of the PMI Bylaws authorizes the PMI Board of Directors to Charter Component Organizations. This document serves as the Charter Agreement between PMI and the Component named herein.

#### **1. Charter Agreement**

PMI formally recognizes and charters the Component named herein as an independent, affiliated organization. The following sections outline the responsibilities of the Component and PMI to one another. A current copy of this document, copies of the Component’s governmental registration documents (including, but not limited to, Articles of Incorporation, or any other documentation from a government body which verifies that the Component is incorporated/registered as a legal entity), and its other current governing documents must be submitted to PMI Headquarters and maintained in the Component’s files there. Documentation may include a copy of the Articles of Incorporation bearing a government seal; a printout of a government web page showing that the organization is registered and showing the government web site address; a letter from a government agency on its own stationery verifying that the organization is registered; or other evidence of incorporation/registration status which is deemed sufficient by the PMI Chief Executive Officer in his sole discretion. If the Component’s governing documents or governmental registration documents are renewed or changed, a copy of the revised documents shall be forwarded to PMI within ninety (90) days for review and filing.

A Component may require modifications to this Charter Agreement due to legal requirements in the jurisdiction in which the Component is incorporated/registered or due to other circumstances. Any such modifications must be mutually agreed to and shall be included as attachments to this document at the time of execution. It is the responsibility of each Component to have adequate legal review prior to the execution of this agreement to ensure that all such modifications are identified prior to execution.

#### **2. PMI’s Responsibilities to the Component**

PMI, as the parent organization of all PMI Chartered Component Organizations, agrees to perform the following functions:

- A. develop and approve governing policies and criteria from time to time which control and regulate PMI and the establishment and continued operation of all Chartered Components;
- B. process memberships of PMI members who also join Components; collect dues on behalf of Components and disburse those dues to Components; and gather, distribute and maintain centralized membership data and systems, as applicable;
- C. inform Components of all new and revised PMI governing policies, procedures, rules and directives which affect Components;
- D. provide discretionary programs which support the activities and development of Components and Component leaders; and,
- E. fulfill other obligations as described or referenced in this document, and in the PMI Bylaws, policies, practices, procedures, rules and directives.

#### **3. PMI Reservation of Certain Rights**

Within the scope of this agreement and of the PMI Bylaws, policies, procedures, practices and rules, PMI reserves the sole and exclusive rights on behalf of and representing the Project Management Institute, to promulgate project management standards; certify project management professionals; accredit and/or recognize training programs and providers; and conduct other PMI-identified and PMI-prepared organization-wide activities, as determined by the PMI Board and the Chief Executive Officer.

The Component shall not develop, engage in, endorse or sponsor programs, services, products or other activities that may be confused with, detract from or damage the common and standardized products, programs, services and other activities that PMI may develop in the areas of project management standards; professional certification programs; and accreditation under the name of and with the resources from PMI. PMI may, in its sole and exclusive discretion, authorize the Component to participate in,

sponsor or engage in activities related to common and standardized standards development, certification and other areas reserved to PMI as a global, non-profit organization. The Component must receive written authorization from the PMI Chief Executive Officer prior to such an activity. The PMI Chief Executive Officer shall base his decision on policies and procedures developed by PMI. The PMI Chief Executive Officer shall provide a written response to the Component's request within thirty (30) business days after receiving the request.

Except as otherwise stated in this Section, nothing in this provision shall preclude the Component from developing its own project management programs, products and services consistent with Sections 14, 15 and 18 of this Charter Agreement.

#### **4. Component Name, Relationship and Independent Status/Component Representations**

The Component shall bear the name identified above, and agreed to in the Execution section of this document. The Component will be independently incorporated or registered as a separate and distinct legal entity, and as a Component Organization of PMI in a manner prescribed by PMI. The Component shall meet all legal requirements of the applicable jurisdiction(s) in which the Component is located or conducts business. The Component is responsible to the duly elected PMI Board of Directors for the terms and conditions in this Charter Agreement, and is subject to all policies, procedures, rules, directives and requirements lawfully approved or authorized by the PMI Board.

The Component shall conduct all of its affairs and activities in its own name, and shall not represent itself, directly or indirectly, as being PMI. The Component shall not expressly or indirectly advertise, promote or communicate that the Component's programs, services, or activities are sponsored or endorsed by PMI unless, and only to the extent that, such a sponsorship or endorsement is specifically authorized in writing by the PMI Chief Executive Officer. The Component shall not be empowered to bind PMI or commit PMI resources under any circumstances. In like manner, PMI shall not be empowered to bind or commit Component resources under any circumstances.

With the exception of its affiliation with PMI, and the terms and conditions of this Charter Agreement, the Component shall function as an independent organization, which is not controlled, unduly influenced, constrained or administered by any other organization, business or interest.

#### **5. Component Territory, Specific Interest or Knowledge Area**

Attachment A of this agreement shall identify, as specifically as possible, the geographic area encompassed by the Chapter; the industry or interest area represented by the Specific Interest Group; or the knowledge area represented by the College. All such designated areas shall be considered non-exclusive.

PMI may, at its sole discretion, designate other Components in the territory, specific interest or knowledge area designated in Attachment A if such action is deemed to be in the best interests of PMI and its members. No such action will be taken until certain actions, which shall include, as a minimum, full, open communications with all parties and a fair process (including input from any affected Component) prior to making a final decision, have been taken.

PMI may conduct educational activities within or related to the designated territory, specific interest or knowledge area, subject to full, open communications with all parties and a fair process (including input from any affected Component) prior to making a final decision.

#### **6. Component Governing Documents**

The Component shall formally adopt governing documents, including, but not limited to, Articles of Incorporation (or legally equivalent documents) and bylaws, to provide for the administration and regulation of its internal and external affairs. The Component may, at its discretion or as may be required by law, have other, additional governing documents. The Component shall file current copies of all of its governing documents and amendments to those documents with PMI within ninety (90) days of entering into this Charter Agreement. Subsequent amendments to governing documents shall be filed with PMI within ninety (90) days of such amendments being adopted by the Component.

Renewals of this Charter Agreement are subject to satisfactory review and subsequent acceptance by PMI Headquarters of Component governing documents to ensure that those documents do not conflict with PMI's Bylaws, policies, practices, procedures, rules and directives.

Component governing documents from non-English speaking nations shall be written in both the native language and English, with the native language version taking precedence provided a Component officer certifies in writing to PMI that the translation represents a true and accurate translation to the best of the Component officer's knowledge.

#### **7. Component Membership**

Membership in the Component is voluntary and shall be open to any eligible person interested in furthering the purposes of the Component and PMI without regard to race, creed, color, age, sex, marital status, national origin, religion, or physical or mental disability. Component membership shall commence when a PMI member pays dues to be a member of the Component.

Membership qualifications and categories shall be solely as authorized in PMI's Bylaws. The Component shall not accept any individuals as members who have not first been accepted by PMI as members, and shall not create its own unique Component membership categories. Membership in the Component shall terminate when a PMI member resigns membership in PMI or the Component; fails to pay PMI or Component dues; is removed from membership by the PMI or Component Board of Directors for just cause; or membership is otherwise ended consistent with applicable law, and the PMI and Component Bylaws and policies.

#### **8. Component Use of PMI Membership Information and Data**

Any information pertaining to membership, including, but not limited to, databases, lists, mailing labels and reports, which is provided by PMI to the Component may be used only in connection with the authorized, lawful business of the Component, consistent with the terms of this Charter Agreement. Such information is considered confidential and shall not be shared with individuals or business entities outside of PMI without the express, written permission of the PMI Chief Executive Officer. The Component shall abide by all other policies and guidelines established by PMI related to the use and protection of PMI membership data.

#### **9. Component Dues**

Membership dues for the Component, when authorized and applicable, shall be established in a manner consistent with the Component's governing documents. Accurate information concerning such dues shall be communicated to PMI in a timely manner as prescribed by PMI. Such information shall also be made available to Component members for all categories of Component dues.

#### **10. Component Officers and Directors**

The officers and directors of the Component shall be determined in accordance with, and act within the scope of, the Component's governing documents. The officers and directors of the Component shall be solely accountable for the planning and operations of the Component, and shall perform their duties in accordance with the Component's governing documents; this Charter Agreement; PMI's Bylaws, policies, practices, procedures, and rules; and applicable law.

#### **11. Component Election Requirements**

In accordance with PMI policies, practices, procedures, rules and directives, no funds or resources of PMI or the Component may be used to support the election of any candidate or group of candidates for PMI, Component or public office. No other type of organized electioneering, communications, fund-raising or other organized activity on behalf of a candidate shall be permitted. The Component Nominating Committee, or other applicable body designated by the Component, will be the sole distributor(s) of all election materials for Component elected positions.

#### **12. Component Fiscal Operations and Insurance Protections**

The Component shall be solely and legally responsible for its financial affairs, including, but not limited to, all expenses incurred in the name of the Component, and incurred with respect to Component activities. The Component shall establish and practice sound fiscal policies. The Component shall file any and all necessary tax and government reports with the appropriate governmental bodies, and shall send copies of all such reports to PMI in a timely manner.

Each Component is required to have and maintain comprehensive, general liability insurance coverage. The Component is also encouraged, but not required, to seek other corporate protections, including, but not limited to, bonding for financial accounts and professional liability insurance for officers and directors. At its sole discretion, PMI reserves the right to subsidize the insurance of Components.

Neither PMI, nor Components, may borrow money from or lend money or real property to the other entity, or another PMI Component.

#### **13. Prohibitions Against Inurement and Conflict of Interest Within Components**

No member of the Component shall receive any pecuniary gain or profit, incidental or otherwise, from the activities, financial accounts and resources of the Component, including but not limited to, the receipt of membership dues or other monies from the Component and its members, except as otherwise provided in this section.

No elected officer or director of the Component Board, appointed committee member or authorized representative of the Component shall receive any compensation, or other tangible or financial benefit for service on the Board. However, the Board may authorize payment by the Component of actual and reasonable expenses incurred by an officer, director, appointed committee member or authorized representative regarding attendance at Board meetings and other approved activities.

The Component may engage in contracts or transactions with members, elected officers or directors of the Board, appointed committee members or authorized representatives of the Component and any corporation, partnership, association or other organization in which one or more of the Component's directors, officers, appointed committee members or authorized representatives are: directors or officers, have a financial interest in, or are employed by the other organization, provided the following conditions are met:

1. the facts regarding the relationship or interest as they relate to the contract or transaction are disclosed to the board of directors prior to commencement of any such contract or transaction;
2. the board in good faith authorizes the contract or transaction by a majority vote of the directors who do not have an interest in the transaction or contract;
3. the contract or transaction is fair to the Component and complies with the laws and regulations of the applicable jurisdiction in which the Component is incorporated or registered at the time the contract or transaction is authorized, approved or ratified by the board of directors.

Elected officers and directors of the Board, appointed committee members and authorized representatives of the Component shall act in an independent manner, consistent with their obligations to the Component and applicable law, regardless of any other affiliations, memberships, or positions.

Component officers, directors, appointed committee members and authorized representatives shall disclose any interest or affiliation they may have with any entity or individual with which the Component has entered, or may enter, into contracts, agreements or any other business transaction, and shall excuse themselves from any discussion, and refrain from voting on, or influencing the consideration of, such matters.

#### **14. Property Interests of the Component**

The Component shall not have title to nor interest in any property of PMI, nor be liable for any debt or other pecuniary obligation of PMI, nor vice versa. Neither party shall be the agent for the other, nor have the authority to bind the other in any contract, or other commitment, either verbal or written.

#### **15. Component Member Services**

The Component may provide services to its members, as it deems appropriate, within the scope of its governing documents. However, applicable governmental laws, as well as policies, procedures, practices, rules and directives established by PMI shall be followed.

#### **16. Component Affiliate Organizations**

Unless otherwise stated in PMI policies or authorized by the PMI Board of Directors, the Component shall not establish any other affiliated organization or structure except for PMI Student Member-affiliated organizations. All Student Member-affiliated organizations shall be organized and managed in accordance with policies, procedures, practices, rules and directives established by PMI.

#### **17. Expert Counsel for the Component**

The Component is encouraged to seek expert counsel for assistance related to legal, financial and other matters deemed appropriate by the Component Board of Directors and at the Component's own expense. PMI shall not retain expert counsel on behalf of the Component, unless expressly authorized by the PMI Chief Executive Officer in his sole discretion.

#### **18. Component Use of PMI Intellectual Property**

PMI Components shall have limited access to, and limited use of, PMI intellectual property subject to compliance with all PMI policies, procedures, practices, rules, directives, and guidelines which exist as of the time of the use or access by the Component (hereinafter "Intellectual Property Policy") and all applicable laws regarding the use of PMI intellectual property. This limitation on Component use and access applies to any PMI trademark, service mark, certification mark, trade name, corporate logo, trade secret, copyrighted material or other intellectual property owned or claimed by PMI. PMI reserves the right in its sole discretion to make changes to its Intellectual Property Policy from time to time, without the prior consent of the Component.

#### **19. Prohibition Against Component Contracts Binding PMI**

The Component shall not enter into any contractual obligation or other agreement which directly or indirectly purports or seeks to bind PMI, financially or otherwise, unless specifically authorized by the PMI Chief Executive Officer in writing prior to the execution of the contract or entry into the agreement.

Components are prohibited from engaging in any activity or taking any action which causes PMI to be legally or financially bound to any agreement or other relationship. The Component shall not act on behalf of PMI beyond the limits of this Charter Agreement. Any commercial contracts and business arrangements entered into on behalf of a PMI Component where the financial obligation of the Component is greater than or equal to \$10,000 (US) shall specifically state that PMI is not a party to the contract, agreement or other arrangement, and that no party to such agreement or arrangement is authorized or designated by PMI to act on behalf of PMI.

In like manner, PMI shall not obligate or bind the Component, beyond the terms and conditions of this Charter Agreement, unless specifically authorized by a duly authorized Component officer in writing prior to the execution of the contract or entry into the agreement.

## **20. Component Cooperative Agreements with Non-PMI Entities**

Consistent with the terms of this Charter Agreement, the Component may form authorized relationships with other organizations, corporations, associations, and similar entities, to establish a basis for mutual activities and exchanges of information related to the field and practice of project management. Such relationships shall be consistent with guidelines established by PMI and with all terms and provisions of this Charter Agreement, particularly with regard to Sections 3, 4, 7, 8, 13, 18, 19, and 24. Further, agreements shall not result in a controlling interest by the non-PMI organization, corporation, association or similar entities.

Prior to its acceptance and execution of a cooperative agreement or other formal relationship with a non-PMI entity, the Component is encouraged but not required to employ a fair process for full and open exchange and communication with PMI related to agreements they are negotiating with non-PMI entities. During such a process, the Component should inform PMI of the terms and conditions of such agreement or relationship and should provide PMI with a complete copy of all documents which state the terms and conditions of the relationship.

Any Component which has established cooperative agreements with non-PMI entities shall produce a listing of those entities and shall provide a copy of the listing to PMI Headquarters each year.

## **21. Component Charter Renewal**

This Charter Agreement shall renew and remain in force and effect each year following receipt and acceptance by PMI Headquarters of required documentation, demonstrating that the Component has satisfied the minimum standard Component performance criteria established by PMI. Those criteria shall, at a minimum, include submitting evidence to PMI annually demonstrating that the Component has maintained its incorporated/registered status, and has complied with applicable national, federal, state, provincial and other jurisdictional laws and regulations, including, but not limited to, tax and other governmental filings. Such standard performance criteria and documentation, which may be amended by PMI from time to time, will be published annually by PMI Headquarters and communicated to the Component.

PMI Headquarters shall have the authority to suspend or terminate this Charter Agreement upon the determination that the Component is no longer a viable entity; that the Component is unable or unwilling to comply with the charter renewal process; or that such an action is in the best interests of PMI and in accordance with applicable policies. Similarly, the Component shall have the authority to terminate this Charter Agreement by communicating its decision to do so in writing to the PMI Chief Executive Officer.

## **22. Survival of Agreement Terms**

If any portion of this agreement is declared invalid or unenforceable for any reason by a court of law or by action of a government body, all remaining provisions of the Charter Agreement shall remain in full force and effect and shall not be affected thereby.

## **23. Dissolution of the Component**

If the Component or its corporate entity is dissolved, terminated, or otherwise required to end its existence for any reason, its assets shall, after payment of all just debts, be disposed of in a manner prescribed in the Component's governing documents, and consistent with applicable law.

## **24. Confidential Information**

The Component shall, during the term of this agreement, maintain the confidentiality of any and all of PMI's confidential, sensitive or proprietary information or data (collectively, "confidential information"). Information or data deemed confidential shall include membership lists, financial information and any other material specifically marked as confidential. Such confidential information shall at all times remain the property of PMI and shall be deemed to be furnished to the Component in confidence and solely in connection with the Component's obligation under this Charter Agreement. In like manner, PMI shall maintain the confidentiality of any and all of the Component's confidential, sensitive or proprietary information or data which is specifically marked as confidential, and agrees that such confidential information shall at all times remain the property of the Component. Each party may use the confidential, sensitive or proprietary information or data furnished by the other for legitimate, nonprofit Component and PMI purposes.

Upon termination of this agreement for any reason, the Component shall immediately deliver to PMI all written or electronically stored documentation, including copies, of or concerning confidential information, shall make no further use of such confidential information and shall make reasonable efforts to ensure that no further use is made by the Component or its representatives of such confidential information. PMI shall act in like manner with regard to Component confidential information. Each party's confidentiality obligations shall survive the expiration or termination of this agreement.

## **25. Component Indemnification of PMI**

The Component shall indemnify and hold harmless PMI, its officers, directors, employees, agents and representatives from and against any and all claims, suits, damages, losses, and liabilities, including reasonable attorney's fees and costs, arising out of, or directly related to, the actions or activities of the Component. However, as to any claim, suit, damage, loss or liability which may be alleged or brought against the Component by a PMI member, officer, director, or employee, the Component does not, by this

indemnity agreement, waive or otherwise forfeit any defense which the Component may have with respect to such claim, suit, damage, loss or liability.

Notwithstanding the preceding provisions, in all cases, PMI reserves all legal rights, options and processes available under applicable jurisdictional law and regulation.

## **26. Agreement Dispute Resolution**

Disputes relating to the interpretation of, or otherwise arising from the terms of, this Charter Agreement will be presented to the PMI Chief Executive Officer for resolution. If no resolution accepted by all parties is achieved, then the dispute will be settled by one of the following methods:

- A. If both parties agree, the matter may be referred to the PMI Board of Directors or other designee.
- B. If both parties agree, mediation by an independent, neutral, mutually acceptable volunteer PMI member mediator.

If the parties cannot agree on the methods prescribed above, then the dispute will be settled by binding arbitration by a panel of three (3) PMI member arbitrators, selected as follows: one (1) panel member will be selected by PMI, who shall not be a current PMI Board member; one (1) panel member will be selected by the Component, who shall not be a member of that Component; and one (1) panel member will be selected by the other two arbitrators.

The Arbitration Committee will be appointed within 45 days and will convene with all members present within 90 days following the request. The site selected for the meeting, the rules of procedure for the meeting, and the method of reporting will be by mutual agreement of the members of the Committee. Expenses for the meeting will be paid by PMI if the arbitration was initiated by PMI. If the arbitration was initiated by the Component, the expenses will be paid by the Component. If a party requests participation in the meeting by other persons, the party requesting participation will pay expenses of other persons participating in the meeting. The Arbitration Committee will select a Chair from its membership. The Chair will appoint a Secretary who will furnish a written report of the arbitration decision to both parties.

For disputes involving Components based in the United States or Canada, in the event that the arbitration fails for any reason, any controversy or claim arising out of or relating to this Charter Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. The place of the arbitration shall be Philadelphia, Pennsylvania. The law of the Commonwealth of Pennsylvania of the United States of America shall govern the arbitration, including its conflict of laws rules.

For disputes involving Components based outside of the United States or Canada, in the event that the arbitration fails for any reason, any controversy or claim arising out of or relating to this Charter Agreement, or the breach thereof, shall be settled by arbitration administered by the International Chamber of Commerce under its rules and procedures. The place of the arbitration shall be determined by the arbitration panel. The law of the Commonwealth of Pennsylvania of the United States of America shall govern the arbitration, including its conflict of laws rules.

## **27. Controlling Law**

This Charter Agreement has been made in the Commonwealth of Pennsylvania of the United States of America, and shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, including its conflict of laws provisions. All legal proceedings relating to the subject matter of this Charter Agreement shall be maintained in courts sitting with the Commonwealth of Pennsylvania, and the parties consent and agree that jurisdiction and venue for such proceedings shall lie exclusively with such courts.

The Component acknowledges that certain laws of the United States or other jurisdictions may be applicable to the performance of this Charter Agreement by the parties, such as U.S. export control laws, trade sanctions, antiboycott compliance and antitrust laws. Without limiting the generality of the foregoing, the Component expressly acknowledges that certain activities in furtherance of such performance, in some circumstances and upon certain findings of fact, may give rise to civil or criminal liability on the part of PMI and its officers, directors, employees or agents under the Foreign Corrupt Practices Act of 1977 of the United States of America (dealing with certain payments to obtain business). Therefore, the Component agrees that it will not, either directly or indirectly, through its officers, directors, employees, agents or members, offer, pay, promise to pay, or authorize the payment of any money or thing of value nor will it be offered, given, or promised, directly or indirectly, to any government official, for the purpose of (i) influencing any act or decision of such government official to fail to perform his official functions, or (ii) inducing such government official to use his influence with the government or any instrumentality, in order to assist PMI or the Component in obtaining or retaining business for or with, or directing business to, any person.

## **28. Integration and Modification**

This Charter Agreement, and applicable PMI policies, procedures, practices and rules as from time to time amended by PMI, constitutes the complete understanding of the parties regarding the subject matter thereof and supersedes any prior written or oral agreement, offer or representation. The parties have entered into this Charter Agreement solely upon their respective

understanding of the terms and conditions set forth herein and not upon any extrinsic representation or statement made by the other party hereto.

This Charter Agreement may not be modified, changed or amended except by a written document signed by a duly authorized representative of each of the parties hereto.

**29. Waiver**

Any waiver by either party to this Charter Agreement of any provision shall not be construed as a waiver of any other provision of this agreement, nor shall such waiver be construed as a waiver of such provision with respect to any other event or circumstance, whether past, present or future.

**30. Successors and Assigns**

This Charter Agreement shall inure to the benefit of PMI, its successors, and assigns, and PMI may assign all or any portion of this agreement and its duties hereunder upon written notice of any such assignment. The Component may not sublicense or assign any of its rights or delegate any of its obligations under this Charter Agreement without prior written consent of PMI.

**Execution**

The Component shall be named as follows:

(Incorporated/Registered Name of PMI Component)

This Charter Agreement is entered into by the named parties representing the Component and PMI and shall be effective as of the last date signed by a named party:

## **Component By-laws Template**

### **Article I – Name, Principal Office and Relationship to PMI:**

Section 1. This organization shall be called the Project Management Institute, \_\_\_\_\_ [SPECIFY CHAPTER, COLLEGE, SPECIFIC INTEREST GROUP] (hereinafter “the [SPECIFY ABBREVIATED NAME]”). This organization is a [SPECIFY CHAPTER, COLLEGE, SPECIFIC INTEREST GROUP] chartered by the Project Management Institute, Incorporated (hereinafter “PMI®”) and separately incorporated as a non-profit, tax exempt corporation (or equivalent) organized under the laws of [SPECIFY STATE, COMMONWEALTH, NATION OR OTHER JURISDICTION].

Section 2. The principal office of the [SPECIFY CHAPTER, COLLEGE, SPECIFIC INTEREST GROUP] shall be located in [SPECIFY CITY, STATE, PROVINCE] in the [SPECIFY WHETHER A STATE, COMMONWEALTH, NATION OR OTHER JURISDICTION] of [SPECIFY STATE, COMMONWEALTH, NATION OR OTHER JURISDICTION].

Section 3. The [SPECIFY COMPONENT NAME] is responsible to the duly elected PMI Board of Directors and is subject to all PMI policies, procedures, rules and directives lawfully adopted.

Section 4. The [SPECIFY COMPONENT NAME] shall meet all legal requirements in the jurisdiction(s) in which the [SPECIFY COMPONENT NAME] conducts business or is incorporated/registered.

Section 5. The bylaws of the [SPECIFY COMPONENT NAME] may not conflict with the current PMI’s Bylaws and all policies, procedures, rules or directives established or authorized by the PMI Board of Directors as well as with the [SPECIFY CHAPTER, COLLEGE, SPECIFIC INTEREST GROUP]’s Charter with PMI.

Section 6. The terms of the Charter executed between the [SPECIFY COMPONENT NAME] and PMI, including all restrictions and prohibitions, shall take precedence over these Bylaws and other authority granted hereunder.

### **Article II - Purpose:**

Section 1. The objectives of the [SPECIFY COMPONENT NAME] are to:

- A. [SPECIFY OBJECTIVE #1 HERE.]
- B. [SPECIFY OBJECTIVE #2 HERE.]
- C. [SPECIFY OBJECTIVE #3 HERE.]

### **Article III - Membership:**

Section 1. Membership in this organization is voluntary and shall be open to any eligible person interested in furthering the purposes of the organization. Membership shall be open to all eligible persons without regard to race, creed, color, age, sex, marital status, national origin, religion, or physical or mental disability.

Section 2. Membership in the [SPECIFY COMPONENT NAME] requires membership in PMI. The [SPECIFY COMPONENT NAME] shall not accept as members any individuals who have not been accepted as PMI members, and shall not create its own membership categories.

Section 3. [DEFINE WHICH MEMBERS CAN VOTE AND HOLD OFFICE HERE.]

Section 4: Members shall be governed by and abide by the PMI Bylaws and by the bylaws of the [SPECIFY COMPONENT NAME] and all policies, procedures, rules and directives lawfully made thereunder.

Section 5: All members shall pay the required PMI and Component membership dues to PMI and in the event that a member resigns, membership dues shall not be refunded by PMI or the [SPECIFY COMPONENT NAME].

Section 6: Membership in the [SPECIFY COMPONENT NAME] shall terminate upon the member’s resignation, failure to pay dues or expulsion from membership for just cause.

Section 7: Members who fail to pay the required dues for one (1) month shall be delinquent and their names removed from the official membership list of the [SPECIFY COMPONENT NAME]. A delinquent member may be reinstated by payment in full of all unpaid dues for PMI and the [SPECIFY COMPONENT NAME] to PMI.

Section 8: Upon termination of membership in the [SPECIFY COMPONENT NAME], the member shall forfeit any and all rights and privileges of membership.

Section 9. The membership database and listings provided by PMI to the [SPECIFY COMPONENT NAME] may not be used for commercial purposes and may be used only for non-profit purposes directly related to the business of the [SPECIFY COMPONENT NAME], consistent with PMI policies.

#### **Article IV – Officers:**

Section 1. The [SPECIFY COMPONENT NAME] shall have [SPECIFY NUMBER OF ELECTED OFFICERS] elected officers to serve in the following positions: [SPECIFY OFFICERS OF THE ORGANIZATION HERE]. All officers shall be members in good standing of PMI and of the [SPECIFY COMPONENT NAME]. The officers will serve [SPECIFY TERM OF OFFICE]-year terms of office, staggered so that [SPECIFY NUMBER OF OFFICER POSITIONS OPEN FOR ELECTION] officer(s) are elected each year.

Section 2. The [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER] shall be the chief executive officer for the [SPECIFY COMPONENT NAME] and of the Board, and shall perform such duties as are customary for presiding officers, including making all required appointments with the approval of the Board. The [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER] shall also serve as a member ex-officio with the right to vote on all committees except the Nominating Committee.

Section 3. The [SPECIFY TITLE OF OFFICER RESPONSIBLE FOR KEEPING OFFICIAL RECORDS] shall keep the records of all business meetings of the [SPECIFY COMPONENT NAME] and meetings of the Board.

Section 4. The [SPECIFY TITLE OF CHIEF FINANCIAL OFFICER] shall oversee the management of funds for duly authorized purposes of the [SPECIFY COMPONENT NAME].

Section 5. [DEFINE OTHER OFFICER POSITION HERE.]

Section 6. [DEFINE OTHER OFFICER POSITION HERE.]

Section 7. [DEFINE OTHER OFFICER POSITION HERE.]

#### **Article V – Board of Directors:**

Section 1. The [SPECIFY COMPONENT NAME] shall be governed by a Board of Directors (Board). The Board shall be responsible for carrying out the purposes and objectives of the non-profit corporation (or equivalent).

Section 2. The Board shall consist of the officers of the [SPECIFY COMPONENT NAME] and [SPECIFY NUMBER OF POSITIONS] Directors at Large elected by the membership. All Directors at Large shall be members in good standing of PMI and of the [SPECIFY COMPONENT NAME]. Terms of office for the Directors at Large shall be [SPECIFY LENGTH OF TERM], staggered so that [SPECIFY NUMBER OF DIRECTOR AT LARGE POSITIONS OPEN FOR ELECTION] Director(s) At Large are elected each year.

Section 3. The Board shall exercise all powers of the [SPECIFY COMPONENT NAME], except as specifically prohibited by these bylaws, the PMI Bylaws and policies, and the laws of the jurisdiction in which the organization is incorporated/registered. The Board shall be authorized to adopt and publish such policies, procedures and rules as may be necessary and consistent with these bylaws and PMI Bylaws and policies, and to exercise authority over all [SPECIFY COMPONENT NAME] business and funds.

Section 4. The Board shall meet at the call of the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER], or at the written request of three (3) members of the Board directed to the [SPECIFY TITLE OF RESPONSIBLE OFFICER]. A quorum shall consist of no less than one-half of the membership of the Board at any given time. Each member shall be entitled to one (1) vote and may take part and vote in person only. At its discretion, the Board may conduct its business by teleconference, facsimile or other legally acceptable means. Meetings shall be conducted in accordance with parliamentary procedures determined by the Board.

Section 5. The Board of Directors shall declare an officer or Director at Large position to be vacant where an officer or Director at Large ceases to be a member in good standing of PMI or of the [SPECIFY COMPONENT NAME] by reason of non-payment of dues, or where the officer or Director at Large fails to attend two (2) consecutive Board meetings. An officer or Director at Large may resign by submitting written notice to the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER OR THE OFFICER RESPONSIBLE FOR KEEPING OFFICIAL RECORDS]. Unless another time is specified in the notice or determined by the Board, the resignation shall be effective upon receipt by the Board of the written notice.

Section 6: An officer or Director at Large may be removed from office for just cause in connection with the affairs of the organization by a two-thirds (2/3) vote of the members present and in person at an official meeting of the membership, or by a two-thirds (2/3) vote of the Board.

Section 7: If any officer or Director at Large position becomes vacant, the Board may appoint a successor to fill the office for the unexpired portion of the term for the vacant position. In the event the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER] is

unable or unwilling to complete the current term of office, the [SPECIFY TITLE OF OFFICER WHO SHALL SERVE AS INTERIM CHIEF EXECUTIVE OFFICER] shall assume the duties and office of the presiding officer for the remainder of the term.

#### **Article VI – Nominations and Elections:**

Section 1. The nomination and election of officers and directors shall be conducted annually in accordance with the terms of office specified in Article IV, Section 1 and Article V, Section 2. All voting members in good standing of the [SPECIFY COMPONENT NAME] shall have the right to vote in the election. Discrimination in election and nomination procedures on the basis of race, color, creed, gender, age, marital status, national origin, religion, physical or mental disability, or unlawful purpose is prohibited.

Section 2. Candidates who are elected shall take office on the first day of [SPECIFY MONTH IN WHICH OFFICERS AND DIRECTORS WILL ASSUME OFFICE] following their election, and shall hold office for the duration of their terms or until their successors have been elected and qualified.

Section 3. A Nominating Committee shall prepare a slate containing nominees for each Board position and shall determine the eligibility and willingness of each nominee to stand for election. Candidates for Board positions may also be nominated by petition process established by the Nominating Committee or the Board. Elections shall be conducted (a) during the annual meeting of the membership; or (b) by mail ballot to all voting members in good standing [PLEASE CHOOSE A OR B]:. The candidate who receives a majority of votes cast for each office shall be elected. Ballots shall be counted by the Nominating Committee or by tellers designated by the Board.

Section 4. No current member of the Nominating Committee shall be included in the slate of nominees prepared by the Committee.

#### **Article VII – Committees:**

Section 1. The Board may authorize the establishment of standing or temporary committees to advance the purposes of the organization. The Board shall establish a charter for each committee, which defines its purpose, authority and outcomes. Committees are responsible to the Board.

Section 2. All committee members and a chairperson for each committee shall be appointed by the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER] with the approval of the Board. Committee members may be appointed from the membership of the organization.

#### **Article VIII - Finance:**

Section 1. The fiscal year of the [SPECIFY COMPONENT NAME] shall be from 1 January to 31 December.

Section 2. Annual membership dues shall be set by the Board and communicated to PMI in accordance with policies and procedures established by the PMI Board of Directors.

Section 3. The Board shall establish policies and procedures to govern the management of its finances and shall submit required tax filings to appropriate government authorities.

Section 4. All dues billings, dues collections and dues disbursements shall be performed by PMI.

#### **Article IX – Meetings of the Membership:**

Section 1. An annual meeting of the membership shall be held at a date and location to be determined by the Board.

Section 2. Special meetings of the membership may be called by the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER], by a majority of the Board, or by petition of ten percent (10%) of the voting membership directed to the [SPECIFY TITLE OF CHIEF EXECUTIVE OFFICER].

Section 3. Notice of all annual and special meetings shall be sent by the Board to all members at least 45 days in advance of the meeting. Action at such meetings shall be limited to those agenda items contained in the notice of the meeting.

Section 4. A quorum at all annual and special meetings of the [SPECIFY COMPONENT NAME] shall be ten percent (10%) of the voting membership in good standing, present in person.

Section 5. All meetings shall be conducted according to parliamentary procedures determined by the Board.

## **Article X – Inurement and Conflict of Interest:**

Section 1. No member of the [SPECIFY COMPONENT NAME] shall receive any pecuniary gain, benefit or profit, incidental or otherwise, from the activities, financial accounts and resources of the [SPECIFY COMPONENT NAME], except as otherwise provided in these bylaws.

Section 2. No officer, director, appointed committee member or authorized representative of the [SPECIFY COMPONENT NAME] shall receive any compensation, or other tangible or financial benefit for service on the Board. However, the Board may authorize payment by the [SPECIFY COMPONENT NAME] of actual and reasonable expenses incurred by an officer, director, committee member or authorized representative regarding attendance at Board meetings and other approved activities.

Section 3. [SPECIFY COMPONENT NAME] may engage in contracts or transactions with members, elected officers or directors of the Board, appointed committee members or authorized representatives of [SPECIFY COMPONENT NAME] and any corporation, partnership, association or other organization in which one or more of [SPECIFY COMPONENT NAME]'s directors, officers, appointed committee members or authorized representatives are: directors or officers, have a financial interest in, or are employed by the other organization, provided the following conditions are met:

- A. the facts regarding the relationship or interest as they relate to the contract or transaction are disclosed to the board of directors prior to commencement of any such contract or transaction;
- B. the board in good faith authorizes the contract or transaction by a majority vote of the directors who do not have an interest in the transaction or contract;
- C. the contract or transaction is fair to [SPECIFY COMPONENT NAME] and complies with the laws and regulations of the applicable jurisdiction in which [SPECIFY COMPONENT NAME] is incorporated or registered at the time the contract or transaction is authorized, approved or ratified by the board of directors.

Section 4. All officers, directors, appointed committee members and authorized representatives of the [SPECIFY COMPONENT NAME] shall act in an independent manner consistent with their obligations to the [SPECIFY COMPONENT NAME] and applicable law, regardless of any other affiliations, memberships, or positions.

Section 5. All officers, directors, appointed committee members and authorized representatives shall disclose any interest or affiliation they may have with any entity or individual with which the [SPECIFY COMPONENT NAME] has entered, or may enter, into contracts, agreements or any other business transaction, and shall refrain from voting on, or influencing the consideration of, such matters.

## **Article XI - Indemnification:**

Section 1. In the event that any person who is or was an officer, director, committee member, or authorized representative of the [SPECIFY COMPONENT NAME], acting in good faith and in a manner reasonably believed to be in the best interests of the [SPECIFY COMPONENT NAME], has been made party, or is threatened to be made a party, to any civil, criminal, administrative, or investigative action or proceeding (other than an action or proceeding by or in the right of the corporation), such representative may be indemnified against reasonable expenses and liabilities, including attorney fees, actually and reasonably incurred, judgments, fines and amounts paid in settlement in connection with such action or proceeding to the fullest extent permitted by the jurisdiction in which the organization is incorporated. Where the representative has been successful in defending the action, indemnification is mandatory.

Section 2. Unless ordered by a court, discretionary indemnification of any representative shall be approved and granted only when consistent with the requirements of applicable law, and upon a determination that indemnification of the representative is proper in the circumstances because the representative has met the applicable standard of conduct required by law and in these bylaws.

Section 3. To the extent permitted by applicable law, the [SPECIFY COMPONENT NAME] may purchase and maintain liability insurance on behalf of any person who is or was a director, officer, employee, trustee, agent or authorized representative of the [SPECIFY COMPONENT NAME], or is or was serving at the request of the [SPECIFY COMPONENT NAME] as a director, officer, employee, trustee, agent or representative of another corporation, domestic or foreign, non-profit or for-profit, partnership, joint venture, trust or other enterprise.

## **Article XII- Amendments:**

Section 1. These bylaws may be amended by a two-thirds (2/3) vote of the voting membership in good standing present at an annual meeting of the [SPECIFY COMPONENT NAME] duly called and regularly held; or by a two-thirds (2/3) vote of the voting membership in good standing voting by mail ballot returned within forty-five (45) days of the date by which members can reasonably be presumed to have received the ballot. Notice of proposed changes shall be sent in writing to the membership at

least forty-five (45) days before such meeting or vote.

Section 2. Amendments may be proposed by the Board on its own initiative, or upon petition by ten percent (10%) of the voting members in good standing addressed to the Board. All such proposed amendments shall be presented by the Board with or without recommendation.

Section 3. All amendments must be consistent with PMI's Bylaws and the policies, procedures, rules and directives established by the PMI Board of Directors, as well as with the [SPECIFY COMPONENT NAME]'s Charter with PMI.

**Article XIII – Dissolution:**

Section 1. Should the [SPECIFY COMPONENT NAME] dissolve for any reason, its assets shall be dispersed to a charitable organization designated by the voting membership after the payment of just, reasonable and supported debts, consistent with applicable legal requirements.

## **EXAMPLE: COMPONENT WEB SITE HOSTING AGREEMENT**

This Web Site Hosting Agreement ("Agreement") is made and entered into as of the \_\_\_ day of \_\_\_ 200\_ ("Effective Date"), by and between the Project Management Institute, Incorporated ("PMI"), a non-profit, tax-exempt organization, with offices at Four Campus Boulevard, Newtown Square, PA USA, and \_\_\_\_\_ ("PMI Component"), a \_\_\_\_\_ non-profit, tax-exempt (or equivalent) component organization. PMI and the PMI Component are collectively referred to as the "parties."

### **1. Services**

- a. *Services.* PMI agrees to perform and provide to the PMI Component, services consisting of non-exclusive electronic access to a digital information processing, transmission and storage system ("Server") to store the PMI Component's Web site and make the Web site available on demand by users of the global computer communications network ("Internet") as set forth at Section 4.
- b. *Host Storage Space.* In connection with performance of the Services, the maximum amount of direct access storage device (disk) space that may be utilized by the PMI Component on a PMI Web server is 10 megabytes. Failure to maintain this capacity will result in no further updates until the site is scaled back to 10 megabytes or less.
- c. *PMI Component Content.* Except as provided at Section 4, the PMI Component shall be solely responsible for providing, updating and maintaining the Web site and any and all files, pages, data, works, information and/or materials on, within, displayed, linked or transmitted to, from or through the Web site, including, without limitation, trade or service marks, images, domain names, and text ("PMI Component Content").
- d. *Fees.* No fees will be charged to the PMI Component permitted to host a Web site on the PMI Web site.

### **2. License**

- a. *License of PMI Component Content.* In consideration of PMI's satisfactory performance of all obligations of this Agreement, for the term of this Agreement, the PMI Component grants to PMI, and PMI accepts from the PMI Component, a non-exclusive, worldwide and royalty free license to copy, display, use and transmit on and via the Internet the PMI Component Content, solely for the benefit of the PMI Component and in accordance with PMI's performance or enforcement of this Agreement.
- b. *Privacy.* It is the policy of PMI to respect the PMI Component's privacy. PMI will not disclose any personal information about the PMI Component, information in connection with the PMI Component's use of the Services or PMI Component Content, without the PMI Component's prior consent, unless PMI has a good faith belief that such action is necessary to: (i) comply with legal process or other legal requirements of any court, governmental authority or agency; (ii) protect or defend rights, interests or property of PMI; or (iii) enforce this Agreement.

### **3. Proprietary Rights**

- a. *Ownership.* The PMI Component shall retain all right, title and interest (including copyright and other proprietary or intellectual property rights) in the PMI Component Content and all legally protectable elements, derivative works, modifications and enhancements thereto, whether or not developed by Host, PMI Component or any contractor, subcontractor or agent for Host or PMI Component. To the extent that ownership of the PMI Component Content does not automatically vest in PMI Component by virtue of this Agreement or otherwise, Host agrees to transfer and assign to PMI Component all right, title and interest in the PMI Component Content and protectable elements or derivative works thereof.
- b. *Alterations.* All Web content published by the PMI Component must adhere to previously published PMI electronic use and intellectual property policies and procedures. Component sites should also adhere to all PMI graphic standards. Refusal to abide by these requirements is reason for PMI to take further action, such as refusing to upload the page on PMI's server or to remove the page from the Web site.

### **4. Hosting Services Terms and Obligations**

- a. *Availability of Services.* Subject to the terms and conditions of this Agreement, PMI shall use its best efforts to provide the Services for twenty-four (24) hours a day, seven (7) days a week throughout the term of this Agreement. The PMI Component agrees that from time to time the Services may be inaccessible or inoperable for various reasons, including (i) equipment malfunctions; (ii) periodic maintenance procedures or repairs which PMI may undertake from time to time; or (iii) causes beyond the control of PMI or which are not reasonably foreseeable by PMI, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures (collectively "Downtime"). PMI shall provide forty-eight (48) hour advance notice to the PMI Component in the event of any scheduled Downtime. PMI shall use its best efforts to minimize any disruption, inaccessibility and/or inoperability of the Services in connection with Downtime, whether scheduled or not.
- b. *Backups.* PMI shall maintain backup servers and telecommunications connections and maintain weekly backups of PMI Component Content on such backup servers. PMI's disaster recovery and contingency planning, equipment, software and telecommunications connections shall enable PMI to provide Services on and from such backup servers within three weeks of any disruption of Services.
- c. *Storage and Security.* PMI shall operate and maintain the Server in good working order with access restricted to qualified employees of PMI. PMI shall undertake and perform the measures set forth in Exhibit A to ensure the security, confidentiality and integrity of all PMI Component Content and other proprietary information transmitted through or stored on the Server, including, without limitation: (i) firewall protection; (ii) maintenance of independent archival and backup copies of the Site and all PMI Component Content; and (iii) protection from any network attack and other malicious harmful or disabling data, work, code or program.

**5. Warranties**

a. *Host Warranty.* PMI warrants to the PMI Component that: (i) PMI has the right and authority to enter into and perform its obligations under this Agreement; (ii) PMI shall perform the Services in a workmanlike manner and with the highest professional diligence and skill; (iii) the Services, throughout the term of this Agreement shall conform substantially to the provisions of this Agreement; (iv) the Host Materials do not and shall not contain any content, data, work, materials, link, advertising or services that actually or potentially violate any applicable law or regulation or infringe or misappropriate any proprietary, intellectual property, contract or tort right of any person.

b. *PMI Component Warranty.* The PMI Component represents and warrants to PMI that: (i) the PMI Component has the power and authority to enter into and perform its obligations under this Agreement; (ii) the Site and PMI Component Content do not and shall not contain any content, materials, data, work, trade or service mark, trade name, link, advertising or services that actually or potentially violate any applicable law or regulation or infringe or misappropriate any proprietary, intellectual property, contract or tort right of any person; and (iii) the PMI Component owns the PMI Component Content and all proprietary or intellectual property rights therein, or has express written authorization from the owner to copy, use and display the PMI Component Content on and within the Site.

**6. Limitation of Liability**

Exclusive of liability under Section 7 (indemnification), neither party shall be liable to the other party or any other person for any indirect, incidental, consequential or punitive damages, including loss of profit or goodwill, for any matter arising out of or relating to this agreement or its subject matter, whether such liability is asserted on the basis of contract, tort or otherwise even if either party has been advised of the possibility of such damages.

**7. Indemnification**

a. *By PMI.* PMI agrees to indemnify, hold harmless and defend the PMI Component and its directors, officers, employees and agents from and against any action, claim, demand or liability, including reasonable attorney's fees and costs, arising from or relating to: (i) PMI's actual or threatened breach of any provision of Sections 3 and/or 5(a) of this Agreement; (ii) any gross negligence or willful misconduct of PMI; or (iii) any allegation that the Host Materials infringe a third person's copyright or trademark right, or misappropriates a third person's trade secrets. PMI agrees that the PMI Component shall have the right to participate in the defense of any such claim through counsel of its own choosing.

b. *By PMI Component.* The PMI Component agrees to indemnify, hold harmless and defend PMI and its directors, officers, employees and agents from and against any action, claim, demand, dispute, or liability, including reasonable attorney's fees and costs, arising from or relating to any allegation that the Site or PMI Component Content infringes a third person's copyright or trademark right, or misappropriates a third person's trade secrets.

**8. Term and Termination**

a. *Term.* The term of this Agreement shall commence on the Effective Date and shall continue thereafter for two (2) years, unless sooner terminated by either party. After two years, components may apply for a one-time extension for PMI Headquarters to continue hosting its Web site. PMI will evaluate the component's application and will grant extensions at its discretion.

b. *Termination.* The term of this Agreement shall commence upon the Effective Date (as set forth above). Either party shall have the right to terminate this Agreement with or without cause, upon thirty (30) days prior written notice to the other party. Upon termination or expiration of this Agreement, PMI Headquarters agrees to immediately remove any link(s) to the PMI Component's Site and advise the PMI Component, in writing, that such action has occurred.

**9. No Assignment/Non-Transferable.**

PMI and the PMI Component agree not to sell, assign, transfer or otherwise convey any of their rights or delegate any of their duties under this Agreement without the prior written consent of the other party.

**10. General**

a. *Notice.* All notices shall be in writing and shall be deemed to be delivered when received by postal mail, facsimile or e-mail confirmed by a response. All notices shall be directed to the parties at the respective addresses given above or to such other address as either party may, from time to time, designate by notice to the other party.

b. *Amendment.* No amendment, change, waiver, or discharge hereof shall be valid unless in writing and signed by both parties.

c. *Governing Law.* This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, but without giving effect to its laws or rules relating to conflicts of laws.

d. *Time.* The parties agree that time is of the essence in the performance of the respective obligations under this Agreement.

e. *Entire Agreement.* This Agreement, together with Exhibit A, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to the subject matter hereof, superseding all prior or contemporaneous proposals, communications and understandings, oral or written.

**AGREED:**

**PMI COMPONENT:**

- Signature
- Name
- Title
- Address
- Date

## **X. KEY DOCUMENTS**

The following is a listing of key PMI and Component documents.

### **PMI**

1. PMI Governing Documents, [www.pmi.org](http://www.pmi.org)
  - PMI Bylaws
  - PMI Strategic Plan
  - PMI Rules of the Board
  - PMI Policies pertaining to member, staff and customer
  - PMI Organization Chart
  - Board Committee/Action Team Charters
  - Conflict of Interest Questionnaire and Ethics Certification
  - Member Advisory Groups (MAG)
2. PMI Board of Directors Meeting Minutes Summaries, [www.pmi.org](http://www.pmi.org)
3. PMI Board Speaking Engagements, [www.pmi.org](http://www.pmi.org)
4. PMI Electronic Use Policy, [www.pmi.org](http://www.pmi.org)
5. PMI Component Officer Planning Calendar, Component Leadership Online Community
6. Acronyms Listing, Component Leadership Online Community

Please refer to the Component Leadership Online Community for additional information on key documents or manuals.

### **PMI COMPONENT**

The Component should have these documents on file and accessible for its board members for reference and review.

1. Component Charter Agreement Document
2. Component Articles of Incorporation
3. Component Governing Documents (by-laws)
4. Component Policies Manual

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