

**International Council for Small Business
Affiliate Formation and Maintenance
Policies and Procedures**

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ICSB Affiliate¹ Formation and Maintenance Policies and Procedures

The International Council for Small Business (ICSB)² is a non-political volunteer organization designed to foster entrepreneurship and promote business growth in free enterprise systems as a means of job creation and to stimulate economic growth on a world wide basis. ICSB is meant to be an umbrella organization coordinating the activities of Affiliates all over the world. Ideally, the ICSB would have no members of its own; instead all members would be enrolled in one of ICSB's Affiliate organizations within their own nation or region.

Since not all nations of the world have Affiliates, ICSB has international members who receive full membership benefits directly from the International Office in St. Louis, Missouri, USA. However, ICSB's major thrust continues to be membership expansion through addition of Affiliates, each of which has primary rights to all memberships within its geographical boundaries.

This document is intended to inform interested parties about the procedures required to apply for, and receive, affiliation with ICSB.

¹This guide has been prepared to assist interested parties to understand the procedures for forming and managing an ICSB Affiliate. However, it is a supplement to rules and procedures adopted by ICSB's Board and other governing documents and not a replacement. Final determination of proper actions rests with the original documents.

²Throughout this and other documents, the acronym "ICSB" refers solely to the ICSB organization headquarters in St. Louis, MO. Affiliates are referred to as "Affiliates" or by a hyphenated designation such as "ICSB-Canada." Occasionally, to assure clarity in meaning, the term "ICSB International Office" will be used to designate the headquarters office of ICSB at Saint Louis University.

Definition of Affiliate

An Affiliate is any organization or group of individuals of a nation or region that expressly agrees to the goals of ICSB and agrees to pay scheduled membership fees and other assessments to ICSB.

Exclusivity of Membership

An Affiliate has exclusive rights to all memberships within its geographical boundaries. There are, though, several exceptions:

- Members of foreign governments located within the Affiliate's boundaries, may, upon petition to ICSB's International Office, choose to be a member of their home government Affiliate, or ICSB's International Office.
- Student memberships are available through the International office, when not granted by the home affiliate.
- Members in temporary residence, may choose to temporarily change affiliation.

Affiliate Boundaries

An Affiliate 's geographical boundaries are defined at the time of its application and acceptance of such application by ICSB. Typically the boundaries of the nation wherein the Affiliate resides is used as a guideline. However, where regional conditions dictate boundaries different than national boundaries, ICSB's Board has granted exceptions. For example, the ICSB affiliate in Europe, the European Council for Small Business (ECSB), has Europe as its geographical boundaries because of the growing economic integration of the European nations. An affiliate may petition the ICSB Board to expand its geographical boundaries. Approval for such expansion would only be granted if the affiliate demonstrated sufficient affiliate resources, and ICSB deems it to be in the best interest of the entire organization.

Affiliate Membership Dues

An Affiliate is free to establish its dues for members.

Applying for Affiliate Status

Upon deciding to form an Affiliate, the applicant must provide a Petition of Affiliation to ICSB's International Office.

The Petition of Affiliation

The Petition of Affiliation consists of the following documents:

1. A letter addressed to the President, ICSB, expressing the intention to form an affiliate and requesting approval in principle to proceed with a development plan and membership recruitment. This letter must clarify and specifically state that the signer(s) understands and is fully committed to the goals and objectives of ICSB. This letter must be signed by the organiser of the petition to affiliate. If the petitioner is an existing organisation, the letter must be signed by its President and the letter must be accompanied by a description of the nature of the organisation, its place of business, objectives and goals, and a copy of the organisation's charter and/or by-laws.

2. Upon approval in principle to proceed (a decision of the ICSB Board of Directors), the organisers of the proposed Affiliate shall then prepare a Development Plan which will include details on how the organising committee will structure the new Affiliate (e.g., its proposed name, names of key officials, a statement of mission and objectives, the marketing strategy for membership development, proposed member services, an outline of the first year's activities, a forecast of first year income and expenditures, etc.). The petition must include a proposed set of by-laws and/or a constitution for the new organisation. Sample by-laws are included in the Membership Development Manual and are offered as a flexible guideline for affiliate planning.
3. A list of fifty (50) provisional members with complete information about their business or professional affiliation, business address, and telephone, fax, and e-mail numbers (as appropriate). This list may include the names of any existing ICSB members who live within the geographic area of the proposed affiliate. Such members must be identified, along with the date of their most recent membership renewal (this information can be obtained from the ICSB International Office). ICSB looks favourably upon a broad diverse membership base, reflecting ICSB's membership, comprised of small business and entrepreneurship researchers and educators, trainers, advisers, consultants, lenders, business associations, entrepreneurs, policy makers and government officials.
4. A cheque for payment of the one-time New Affiliate Fee of US \$2,000, and the Yearly Membership Fee, at the rate of US \$25/ member, for the 50 members. This amount may be reduced by the number of currently paid-up ICSB members included in the list of 50. For example, if the list of 50 members includes seven current ICSB members, then the membership payment will be 43 times the Yearly Membership Fee. (*see example below) Visa and MasterCard may be used to make payment to the ICSB International Office.

Example: An Affiliate petitions at a time when 7 members from the region are currently paid-up ICSB International members. Therefore, the affiliate needs *43 new memberships*. Once all payment has been received, the prior members (7 in the example) are turned over from ICSB International to the new Affiliate. The Affiliate adds these to the 43 new members and now has 50 members on its records.

For each of the seven prior memberships, the number of quarters remaining on each membership will be determined by the International Office, and credit will be given to the Affiliate for them. See below:

Credit for the 7 current paid-up members is figured as follows:

| <u># of Members</u> | x | <u>Pre-paid Quarters Remaining</u> | = | <u>Total Pre-paid Quarters</u> |
|---------------------|---|------------------------------------|---|--------------------------------|
| 1 | | 0 | | 0 |
| 3 | | 2 | | 6 |
| 1 | | 3 | | 3 |
| 2 | | 4 | | 8 |
| | | | | 17 |

The new Affiliate's credit standing with ICSB would be as follows: 17 quarters x \$6.25 = **\$106.25 Credit**

This means that in the first year of affiliation the affiliate prepays the annual ICSB membership fee for each of its members. Other costs, such as the shipping of the *Bulletin*, *JSBM*, *Membership Directory*, etc., will be billed quarterly. In the second year of affiliation, ICSB will invoice the affiliate organisation for the ICSB membership fees on a quarterly basis (currently US\$6.25 per member per quarter). Affiliates have the flexibility to set their own membership fees; at present, affiliate membership fees fall in the US \$65 to US \$75 range. This leaves a significant portion of the membership fee in the affiliate to cover the costs of member services and support.

Response from ICSB

The President of ICSB shall acknowledge receipt of the petition and advise petitioner of the time, date and place of the Board Meeting at which the petition will be considered. The President will make every effort to place the petition on the agenda of the next Board meeting following receipt of the petition.

Under no circumstances shall the petition's review and acceptance/rejection be delayed beyond the second Board meeting following receipt of the petition. (Board meetings are held three or four times a year.)

Affiliate's Action upon Approval of the Petition

Upon receipt of approval of the petitioner as an Affiliate, the petitioner may immediately form such an Affiliate in accordance to its proposed by-laws. This includes calling a founding meeting within ninety days of receipt of the notice of approval of Affiliate status. The purposes of the founding meeting are:

- To elect officers of the Affiliate.
- To vote approval of the proposed by-laws of the Affiliate.
- To conduct other business as may be required.

Within 30 days after the founding meeting, the elected President and/or Secretary of the Affiliate shall send a letter of notification of this action to the President of ICSB. This letter shall include the following attachments:

- A copy of the officially ratified by-laws.
- A copy of the minutes of the founding meeting, signed by the secretary.
- The complete formal address of the Affiliate office, telephone number, and
- Principal person in charge at that office.
- A list of names, business affiliations, addresses, and telephone numbers of the elected officers of the Affiliate.

Affiliate's Continuing Responsibilities

Once an Affiliate is formed, the officers are responsible to maintain a continuing relationship with ICSB. To assure such a relationship, the Affiliate is required to carry out the following activities:

Annual Report

The president of the Affiliate is required to file an annual report at the ICSB Board meeting held in conjunction with the Annual World Conference. This report shall contain a financial report as well as a description of all major events sponsored by the Affiliate and its marketing efforts.

Membership on ICSB's Board of Directors

Each Affiliate will be represented on the ICSB's Board of Directors by one active member of the Affiliate. Unless the Affiliate's by-laws specifically state otherwise, the elected president of the Affiliate will serve as the Affiliate's representative on the ICSB's Board of Directors. An alternate representative may be seated at any ICSB Board meeting if a letter designating the alternate representative by name and signed by the Affiliate's president is presented to the Chairperson prior to the beginning of such a Board Meeting. Such an alternate representative must be an active member of the Affiliate.

Voting of ICSB's Board of Directors

All representatives are given one vote each on all motions brought before the Board of Directors.

ICSB's Representation on Affiliate's Board

The Affiliate will include one of ICSB's elected officers as a member of its Board of Directors. Such an officer shall be designated by ICSB.

Use of ICSB Logo

It is required that Affiliates use the ICSB logo and the verbiage "an Affiliate of the International Council for Small Business" on all stationery, documents and literature used for official Affiliate business. The ICSB logo should always be accompanied by the registered mark (a small R enclosed in a circle). (Official copies of the logo are available through the International Office.)

Activities of Affiliates

An Affiliate may engage in any activity for the fulfillment of ICSB objectives. Such activities may be different and/or complement but may not be contrary to the activities of ICSB.

Affiliate Meetings

Affiliates are encouraged to organize and conduct their own annual meetings and conferences. However, Affiliates are not permitted to hold such a meeting/conference within a period beginning two months prior to and extending through two months after ICSB's Annual World Conference. This rule is designed to assure that members will not experience schedule conflicts between Affiliate meetings and ICSB's Annual World Conference. Dates and locations of ICSB's World Conference are established several years in advance by Board of Directors and are usually scheduled the third week of June. The specific dates are available from the International Office.

Joint Activities

An Affiliate may enter into a contract with ICSB to undertake specific activities for the fulfillment of ICSB objectives. The financial arrangement of such joint ventures is subject to negotiation.

Assistance

Upon request from the Affiliate, ICSB will provide assistance by its Officers and Senior Vice Presidents. Any out-of-pocket expenses involved shall be paid by the Affiliate. Such assistance could include: participation in Affiliate meetings/conferences, help with strategic planning, providing advice and guidance, etc.

Annual World Conference

ICSB may enter into an agreement with an Affiliate to host an Annual World Conference within the Affiliate's geographical boundaries. Such agreements will be made upon mutual consent of ICSB and the Affiliate and are binding upon both. More information can be obtained through the *Planning Guidelines for World Conferences* available through the International Office.

Annual World Conference Report

Upon completion of an Annual World Conference hosted by an Affiliate, the Affiliate agrees to provide ICSB with a formal report including detailed financial information. This report is to be filed with ICSB's International Office.

Attendance at the Annual World Conference

An Affiliate is expected to send a representative delegation to attend each Annual World Conference. The president of the Affiliate, or designee, is expected to sit in on and vote at the ICSB Board of Directors meeting held as a part of the Conference.

Commitment to and Protection of ICSB

An Affiliate, represented by its members and elected officers, must commit itself to honor and protect the name of ICSB. The ICSB Board reserves the right to withhold from an Affiliate the use of ICSB's name for activities which, in the opinion of ICSB's Board, erode and/or damage the reputation of ICSB.

Advice of Membership

The president of the Affiliate is required to provide a current count of members to ICSB's International Office on a quarterly basis. ICSB shall consider the number provided by the Affiliate to be the "Official Membership Count" until a revised number is received the following quarter.

The Affiliate shall submit, annually upon request, a list of members for use in publishing the *ICSB Membership Directory*.

Payment of Membership Fee

The Affiliate is required to pay a quarterly membership fee, (\$6.25/member as per July 1, 1997) based on the number of the "Official Membership Count" provided by the Affiliate. The total membership fees owed will be invoiced to each Affiliate by ICSB on a quarterly basis. Payment is expected within 30 days of invoicing. The membership fee is set by ICSB's Board.

Maintaining Affiliate Status

To remain in good standing an Affiliate must:

1. maintain a minimum of 50 members
2. submit quarterly dues on a timely basis in response to invoices
3. engage in activities in compliance with ICSB's By-Laws

Any Affiliate is in violation of #1 or 2 above for more than four quarters will be subject to revocation of affiliate status by the ICSB Board of Directors.

Distribution of Bulletin

ICSB publishes its *Bulletin* quarterly. ICSB's International Office shall ship to the Affiliate the number of copies which matches the Affiliate's "Official Membership Count" plus a 5% overage.

Shipment of the *Bulletin* copies will be made in the manner and by the carrier designated by the Affiliate, providing such designation is made at least ten days prior to shipment. Otherwise, ICSB will ship the *Bulletin* copies via airfreight to the Affiliate office. The Affiliate is responsible for delivery of the *Bulletin* to its members in a timely fashion.

Contributing News to the Bulletin

Affiliates are urged to send news copy to ICSB's International Office at least quarterly so that news about the Affiliate is included in each issue of the *Bulletin*. The *Bulletin* is designed to communicate among the Affiliates and can only be successful if the Affiliates supply information.

Acquisition of Additional Copies of Bulletin

Affiliates may purchase additional copies of the quarterly *Bulletin* at the marginal cost of printing if such copies are (1) ordered in advance of printing or (2) available from ICSB's stock.

Distribution of Journal of Small Business Management

The *Journal of Small Business Management (JSBM)* is published and printed by West Virginia University. West Virginia University will package and bulk ship to each Affiliate the number of copies derived from a count of the Affiliate's "Official Membership Count" on file at ICSB's International Office. Bulk shipment of JSBM copies will be made in accordance to instructions sent by the Affiliate to West Virginia University. These instructions may be the same as those for the *Bulletin* or they may be different. In the absence of specific instructions from an Affiliate, West Virginia University will ship *JSBM* copies using the most cost effective method.

Payment of Freight for Shipments from ICSB to Affiliate

When ICSB ships materials to the Affiliate, the freight charges will be prepaid and the amount will be billed to the Affiliate on the next quarterly invoice.

Payment of Freight for Shipments from JSBM to Affiliate

When West Virginia University ships copies of the *JSBM* to the Affiliate, the freight charges will be prepaid, and the amount will be billed to the Affiliate on the next quarterly invoice.

Annual Production of Membership Directory

Once a year ICSB will produce a membership directory including all affiliated and non-affiliated members. This directory will be produced from the "Official Membership List" supplied by each Affiliate. It is the Affiliate's responsibility to assure the "Official Membership List" is appropriate for the directory. The Affiliate will receive a bulk shipment of directories. Each Affiliate is responsible to distribute the directory to its members. NOTE: Membership directories are the property of ICSB, its Affiliates and its members. The information contained therein cannot be sold or transferred to non-members without the expressed written consent of ICSB's President, acting on behalf of the Board of Directors.

Acquisition of Promotional Materials

ICSB from time to time will make available promotional materials to assist the Affiliates in membership recruitment. Such materials will be made available to Affiliates at ICSB's cost plus freight.

Definition of a DC Affiliate

A DC, “*Developing Country*”, is defined as one wherein the per capita GNP of the nation is less than 20 percent of the average for the world’s five most prosperous industrialized nations, excluding the oil rich kingdoms in the Middle East, (adopted by the Board October 6, 1990.)

Applying for DC Affiliate Status

DC Eligibility

An organization desiring DC Affiliate status, may request such status at the time of application for affiliation. Proof of DC eligibility (as defined in DC Definition above) must be submitted to the ICSB Board when requesting such status.

Petition of Affiliation

The Petition of Affiliation for DC Affiliate consists of the same documents required for a regular Affiliate found in #1, 2, and 3 under Applying for Affiliate Status above. In place of the financial arrangements in #4 above the following conditions will apply:

4. If approved as a DC Affiliate, the organization is required to pay an initiation fee of \$2,000, or demonstrate 50 paid-in-full ICSB (international) members. Upon petition to the ICSB Board, ICSB may elect to, in effect, loan \$1,600 [or 80%] of the initiation fee to the DC Affiliate for a period of four years at zero interest. Payment will be made at \$200/quarter, beginning with the first quarter of the third year.

ICSB will grant the DC Affiliate a credit of \$400 toward the initiation fee, for each increment of 50 members whom the DC Affiliate adds to its membership during the first two years after affiliation. If the DC Affiliate achieves a membership of 100 or more on or before the end of the second year, one half of the loan will be forgiven and repayment will not begin until the first quarter of the fourth year. If a membership of 200 or more is achieved before the end of the third year, the loan will be completely forgiven.

DC Members Within a Regular Affiliate

Affiliate Qualifications to Have DC Members

All Affiliates may have both regular members, with full membership privileges, and DC members with limited membership privileges. DC members must reside in DC nations, within the Affiliate boundaries, as defined above. However, only full DC Affiliates are eligible for the modified initiation fee structure described above, not regular Affiliates with DC members.

Member Services to DC Members

It is assumed that DC members will not be fluent in the English language and therefore will have little interest in the *Bulletin* or the *JSBM*. Since production of these publications is a major portion of ICSB’s operating cost, the fees for DC members can be much lower than those for regular members. DC members will continue to have the other benefits of membership, including receipt of the *Membership Directory* and member registration fees at conferences.

DC Membership Fees

Affiliates with DC members will pay ICSB a quarterly “DC Membership Fee” for each member. This amount will be established by the ICSB Board and as of October 6, 1990 is set at \$1.00 per member/quarter.

DC Membership Reporting

Affiliates are required to report their DC membership count at the end of each quarter. Current membership counts will be as described above in Affiliate’s Continuing Responsibilities: Advice of Membership. Full membership information must be provided to ICSB upon request for purposes of preparing the *ICSB Membership Directory*.

Summary and Notes

Formation of an Affiliate allows members in a geographical area to exercise autonomy over their own operations while at the same time assuring full international benefits of ICSB. ICSB makes no effort to control the membership nor the dues charged by its Affiliates, but at all times Affiliate activities should agree with the goals of ICSB. On the other hand, Affiliates become responsible for keeping a current membership count in ICSB's International Office so that Affiliate members receive ICSB's benefits.

Affiliate’s membership dues vary, and are the sole prerogative of each individual Affiliate. ICSB's membership dues and Affiliate per-member fees assessed by ICSB, are set by ICSB's Board of Directors. At the time of this writing, ICSB's international membership dues for non-affiliated members are US\$65.00 per year. The per-member fee assessed quarterly/member to each Affiliate is \$6.25 (US\$25/year).

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