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## Chapter with Branches Model FAQ

### **Q. Why create a branch versus a chapter?**

A. Forming a branch as a subset of a chapter offers several advantages over forming a new chapter. These include less overhead, no incorporation requirement, no charter renewal, and no administrative obligations. At the same time, branches can take advantage of the infrastructure of an existing chapter, such as utilizing its website, joining in on communications and having banking capabilities.

### **Q. Why create a branch instead of a chapter committee?**

A. With its strong local identity, a branch can allow chapter members to identify with a community that interests them. Branches also allow for flexibility in execution of the chapter's strategic plan to meet the local needs of the branch. A chapter committee will take more operational guidance from the chapter board.

### **Q. Is there a "prescription" for determining if a chapter should form a branch or not?**

A. No. The size, structure, local requirements and membership needs of chapters vary greatly, so there are no set rules for the circumstances under which to form a branch. The chapters will make that determination based upon the needs and desires of their members. This is a consultative process that involves the chapter's leadership as well as the GOC.

### **Q. Is there a minimum number of members required to establish a branch?**

A. No, there is no set minimum number of members.

### **Q. Is there a minimum or maximum number of branches that can be formed in the Chapter with Branches model?**

A. No. This is determined by the administration and operational needs of the chapter.

### **Q. When a branch is formed will PMI recognize it?**

A. PMI will recognize the branch as part of a chapter, not as a separate legal entity.



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**Q. Can a chapter create a branch in a different country (or political area)?**

A. While the chapter with branches model allows a PMI chapter to encompass multiple metropolitan areas providing groups of members value through the chapter's service offerings, facilitating branches outside of the chapter's legal jurisdiction creates some complexities. There are legal liabilities, tax issues and local country laws and customs to be aware of and followed. Community Development provides for simplicity in community structures. As such, PMI will not charter chapters with branches that expand beyond its operating legal jurisdiction.

**Q. Can elections for branch leaders be held separately from the Chapter elections?**

A. No. Branches are part of a chapter; they are not a separate legal entity.

**Q. Can Student members be managed as a branch?**

A. Yes, but it is not mandatory that student sections are formed into branches.

**Q. Can a branch be formed provisionally?**

A. Yes. This is the purpose of a committee. Please see the discussion on the committee/branch/chapter continuum in the [Chapter Leaders' Guide](#).

**Q. Can the branch structure within a chapter be used to "trial" a chapter?**

A. It can be, under certain circumstances. If the PMI Volunteer Leaders believe another chapter in the area will increase the value of products or services provided to current chapter members, forming a branch as a "trial" for a future chapter to see if those needs are met is one possible course of action. Another circumstance for utilizing the Branch structure as a "trial" would be if a Branch within a Chapter has grown very large and its members would be better served by becoming a separate chapter. In all cases, the Community Formation process has to be followed, including the preparation of a business plan and obtaining GOC approval to proceed with the new Chapter.

Please refer to the complete discussion on the [committee/branch/chapter continuum](#).



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**Q. If a chapter forms a branch with the intention of spinning the branch off in the future, what should be considered during formation?**

A. Any chapter forming a chapter with branches will do so in the way that works best for that chapter. It is advisable to structure the administration and governance of a chapter with branches so that it can accommodate the possibility of a future spin-off.

**Q. Does a branch leader still have access to their chapter's regional component mentor?**

A. Yes. Branch leaders are encouraged to seek their component mentor's advice and guidance.

**Q. Is the chapter with branches community model now available for formation?**

A. Yes. The chapter with branches community model formation process is available as of March 2007.

**Q: If you are a member of a branch will you still be a member of the chapter?**

A: Branches do not have members; the members belong to the chapter. *Refer to existing FAQ under Chapter w/ Branches Model – Branch Administration "How would the membership administration within a branch structure work?"*

**Q: What is the difference between a chapter having a meeting at a different city rather than a branch?**

A: A chapter may hold events in various cities/locations within its territory without establishing branches. A branch provides a local identity for chapter members in a particular geographic area of the chapter or for members of student sections or LIGs. Branches are meant to provide the chapter members in a particular location with ALL the member benefits provided at the chapter level. This includes regular meetings, professional and leadership development opportunities, speaker events, and the support of professional networking for members in the branch area.



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**Q: Do branches have logos? What should the name under the logo be?**

A: The Branch is recognized by the following tagline: <<Branch>> of the <<chapter>> *Refer to existing FAQ under Chapter with Branches Model "When a branch is formed will PMI recognize it?"*

**Q: How many bank accounts can a branch have?**

A: Branches may not have separate accounts. The finances of a branch must be managed by the chapter and all accounts designated to support branches must be in the chapter's name.

**Q: If the chapter has a bank account for a branch, is there an overhead for the chapter? Can the branch take all the profit?**

A: The decision to allocate chapter funding to support branches must be made by the chapter. There are many ways that this may be done and the chapter has the flexibility to determine how funding will be distributed.

**Q: Is PMI going to incorporate new chapters using only the chapter with branches structure?**

A: Yes. All newly forming chapters will form as chapters with branches, though they may determine not to "activate" a branch structure.

**Q: If a branch becomes a chapter, will the relationship have to be re-aligned with PMI?**

A: Yes, the chapter will have to split off the territory for the branch becoming a chapter. The branch will have to complete the formation process.

**Q: Is there a size when it becomes too big to split into branches?**

A: No, it is up to the chapter to determine if by creating branches they can provide more value to members.



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**Q: Can a chapter change to a branch?**

A: Yes. Existing chapters may become a branch of another chapter, where the second chapter is able to support this branch. Both chapters would need to contact PMI GOC to initiate this process and the second chapter would need to develop the business plan to support the branch.

**Q. How can a chapter increase governance over a branch – what if a branch does something that puts a chapter at risk?**

A. As stated in the Chapter By-Laws under Indemnification, individuals who belong to a chapter are responsible for their conduct and should not conduct themselves in a manner that would put the chapter at risk. Members that participate in branches are responsible for their conduct as well. In the rare case of a negative occurrence that would leave the chapter at risk, chapters have business insurance which extends to the branches.

**Q. What is the current status of, and lessons learned from, the PMI Poland Chapter with Branches Model Pilot?**

A. During the General Meeting of the PMI Warsaw Poland Chapter membership, held on 8 May 2007, the implementation of the *chapter with branches* model was announced. The official announcement includes the approval of a new name, which is PMI Poland Chapter, and a new logo design. The next stage for the PMI Poland Chapter includes: the registration of changes within local authorities and a chartering agreement with PMI.

As for lessons learned, members stressed the need for a teleconferencing facility for branch structure implementation. They also cited the biggest challenge as being the change in chapter bylaws, which requires approval of two-thirds of general meeting of membership with half of membership present. They consider good promotion of new concept and buy-in is considered critical.

**Q. Should separate financial accounting be created for branches?**

A. Yes, you can use subledgers in accounting software and have one account or sub accounts. In the event the chapter may consider



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spinning the branch off in the future, it is best to keep finances separate from the beginning.

**Q. Can a branch spin off without permission from the chapter?**

**A.** No, it cannot. The spin off must be approved and/or initiated by the chapter.