

## **Mandala Governance and Structure Workgroup**

### **The Shambhala Charter Model**

#### **Summary**

The Shambhala mandala has over the years become a significantly larger and more complex international organization with operations in many national and local legal jurisdictions. A growing number of Shambhala Centers are locally incorporating in order to facilitate purchase of property, form governing Boards with local perspective and commitment, and limit inter-organizational liability. These are viewed as rational and beneficial developments which reflect the geographical expansion and organizational maturity of our mandala.

In response to this increased complexity, it has become important to redefine our shared understanding of the operating agreements within our organization. We have termed this new understanding the Shambhala Charter Model. The model envisions a new corporate structure that maintains a “pervasive and harmonious whole” while at the same time being flexible enough to encourage and accommodate the local autonomy of our Shambhala Centers and constituents.

In brief, according to this model, in order to be organizations within the Shambhala Mandala, Shambhala Centers, groups and affiliates would sign a new Charter agreement specifying their rights and responsibilities.

## **Mandala Governance and Structure Workgroup The Shambhala Charter Model**

### **The new Shambhala Charter and Articles of Incorporation**

If the proposed Shambhala Charter Model is adopted, we recommend that new Shambhala International Articles of Incorporation and Shambhala Charter and Bylaws documents be drafted which provide the legal framework for a Charter organization.

The intent of this current paper is to focus on areas of broad agreement, without going into too much detail as to legal specifics, as these will be worked out in greater detail upon approval. Several areas worthy of further deliberation are outlined in the Discussion Questions section.

### **Scope of this paper**

The purpose of this Governance workgroup document is to recommend a set of eligibility requirements, rights and responsibilities involved in being a constituent organization of the Shambhala Mandala.

The scope of this document is limited to local Shambhala Centers, of various degrees of maturity and legal independence. This has been given priority due to the large number and similar situation of Shambhala Centers and groups. We recommend a similar document identifying eligibility, rights and responsibilities for practice centers be developed within the 2005 calendar year. This should include major practice centers as well as the smaller retreat centers.

There are several other organizations who are not technically Shambhala Centers or Practice Centers, but who use the Shambhala name with permission from the Shambhala Board of Directors. These include the Shambhala Sun and the Shambhala Institute for Authentic Leadership. Due to the small number and distinct character of these organizations, we recommend agreements be negotiated on a case by case, as needed basis by the Board with assistance from legal counsel.

### **Shambhala Centers within the Charter Model**

Shambhala Centers and study groups vary greatly in terms of size and maturity. The governance model should recognize that centers at different stages of complexity and maturity have different interests within the mandala. These differences in interest are probably best accommodated at the level of the Mandala Council, however, that is beyond the immediate scope of this document. At the level of the Shambhala Charter and Bylaws, all centers will be bound to the Mandala through a Charter that is substantially identical for each, with minor adaptations to conform to local circumstances.

There are two existing distinctions that are made between local centers that can be eliminated. In the past, the distinction between a “center” and a “study group” has been a significant dividing point for various reasons, none of which appear to justify continuing the difference in title. We recommend elimination of this difference and referring to all local centers as Shambhala Centers. In the past we have also made a distinction between Shambhala Centers that are part of the existing Shambhala International Corporation and those that are separately incorporated. While there is obviously a legal distinction to be made, from the point of view of the mandala structure, this distinction is not significant.

### **Principles underlying the Shambhala Charter Model**

We recommend that the Charter

- Encourage local autonomy and resourcefulness
- Encourage local participation in overall mandala governance
- Maintain the Shambhala Mandala as a coordinated, cohesive whole
- Maintain overall control and protection of the integrity of the Shambhala service marks.

A copy of the Charter and Bylaws in current use is attached to this report.

### **Recommendations**

#### **Eligibility Standards for All Shambhala Centers**

- Active leadership and reasonable sharing of responsibilities within the group
- Regular group study and meditation practice
- Clear membership policy in accord with Shambhala membership policy
- Demonstrated ability to provide the core Shambhala practice and study offerings
- Demonstrated governance and financial structures

#### **Rights of All Shambhala Centers**

- To use the Shambhala name, identity and service marks
- To receive all services provided by the Shambhala Mandala
- To participation and representation in Shambhala governance (as presented in the document on Core Governance Structures drafted by President Reoch)
- To sponsor and present meditation programs and teachings within the lineages of Shambhala.
- To create structures, procedures and by-laws for center governance and administration in accordance with local laws and customs and the new Shambhala Charter.
- To acquire, own, or lease property and equipment
- To enter into contracts in its own name

- To otherwise exercise any powers permitted under the laws of the local jurisdiction
- To sponsor, present, or host programs beyond the core Shambhala practice and study curricula for the benefit of beings and the development of enlightened society as inspired by local opportunities
- To incorporate separately, of its own volition, subject to the principles of the Shambhala Mandala as expressed in the Charter and Bylaws and the laws of the local jurisdiction.

### **Responsibilities of All Shambhala Centers**

- To offer the core practice and study offerings of the Shambhala Mandala, subject to currently authorized practices for meditation instruction, teacher authorization, and curriculum.
- To participate in Shambhala governance and be subject to the governance of the Sakyong as the lineage holder of the Shambhala Mandala and the governing bodies and policies of Shambhala
- To participate in the Shambhala funding model commensurate with ability and inspiration
- To adhere to the rules related to the use of the Shambhala name, identity and service marks
- To participate in the Shambhala individual membership policy
- If legally separate, must be a not-for-profit, charitable organization. In any case, cannot generate profit for any individual, other than reimbursement of expenses or reasonable compensation for services rendered

### **Discussion Questions**

The following questions are among those we recommend be addressed during the next phase of governance work.

- Should all Shambhala Centers have the right to single-seat representation on the Mandala Council? If so, there is a strong likelihood that the Mandala Council might become unwieldy as a deliberative and decision making body. Alternatively, should representative seats on the Mandala Council be organized proportionally by size, geographical region, or other considerations?
- Shambhala Centers are currently expected to appoint their own director (coordinator) and boards (councils) in the first instance. This appointment is then empowered and announced by the Kalapa Court. Does this process of appointment and empowerment meet the needs of local centers, serve the Mandala principles, and embody the principle of joining Heaven and Earth? Note

that under current practice the Sakyong has the power to remove a local center director and/or board if necessary.

**Current practice of appointments:**

*Center directors are part of the Pillars of Shambhala. They work together with teachers and the Dorje Kasung to provide binding links that connect their local communities to the central government of the mandala, and vice versa. In order to mirror that and to manifest the principle of joining Heaven and Earth, normally directors and coordinators are appointed as follows:*

*Directors are selected by whatever process applies at the local level. This indicates the support of the local community. Their names are then forwarded to the office of the Kalapa Court so that the appointment can be formally made and announced. With this appointment and confirmation, the director is empowered by the central government of the mandala. Once these two processes have taken place, directors are fully empowered to represent their community to the government, and their government to the community.*

*Directors of certain practice centers and major Shambhala Centres (Dzongs) are the responsibility of the Sakyong, which he has delegated to the President who exercises executive authority on his behalf. In those instances, the president establishes a process whereby representatives of the local centre, often its board, conduct the local consultation and interviews of potential appointees. The final decision rests with the President, who seeks the blessing of the Sakyong before the appointment is finalized. Once these two processes have taken place, directors are empowered formally to represent the communities to the government, and their government to the communities.*

- What about groups that want affiliation but don't meet the eligibility criteria?

Appendix: Current Charter and Bylaws

## **SHAMBHALA**

### **CHARTER AND INTERNATIONAL BYLAWS OF THE SHAMBHALA MANDALA**

**THIS CHARTER** is issued by the authority of the Sakyong Mipham Jampal Trinley Rinpoche, the lineage holder of Shambhala, by the undersigned officer of the Shambhala Mandala:

#### **RECITATIONS**

**WHEREAS**, the Shambhala Mandala is the international association of corporations, churches, and other legal entities established solely for the purpose of presenting, establishing, and advancing the wisdom, compassion, and skillful means of the lineage of Sakyong Kings of Shambhala in this world; and

**WHEREAS**, the governing instruments adopted by the lineage institutions of the Shambhala Mandala provide for the recognition and empowerment of subordinate Shambhala Meditation Centers dedicated to the advancement of the purposes of Shambhala; and

**WHEREAS**, the Shambhala Meditation Center of \_\_\_\_\_ (the “Center”) has duly sought and has been determined to qualify for designation as a member lineage institution of the Shambhala Mandala and, in furtherance of such designation, has accepted this Charter and International Bylaws as its founding instruments;

#### **SHAMBHALA CHARTER**

**THEREFORE**, the Center is hereby chartered and proclaimed as a lineage institution of Shambhala and a member of Shambhala [USA/Canada/Europe], an association of Buddhist churches within the [North American/European continent]. As a lineage institution, the Center is entitled and commits to participate in the governance bodies and procedures of Shambhala. The Center is authorized, empowered, and licensed to identify itself to the public as a Shambhala Meditation Center under the secular and spiritual leadership of the Sakyong Mipham Jampal Trinley Rinpoche. The Center is further authorized to form and operate such corporate or other legal entities as may be necessary or appropriate under the laws of its local jurisdiction; to adopt and amend local bylaws and rules related to its internal governance; to appoint directors and officers and to employ such persons as may be necessary or appropriate to its efficient operation; to acquire, own, lease, and operate real and personal property; to enter into contracts in its own name; to sponsor and present programs of meditation and teachings within the

lineages of Shambhala; and otherwise to exercise all of the powers permitted under the laws of its local jurisdiction.

*The below International Bylaws are a template which may be amended as needed to comply with local laws.*

## INTERNATIONAL BYLAWS

1. Adoption. The Center hereby adopts these International Bylaws (“Bylaws”) for the governance and administration of its operations. These Bylaws are supplemental to the Charter and to the governing instruments of Shambhala and shall be deemed subordinate to the Charter and said governing instruments. In the event of conflict in interpretation, the Charter and governing instruments of Shambhala shall prevail.

2. Purposes. The purposes for which the Center is established are as follows:

(a) To operate solely as a member center or division of the Shambhala Mandala and a part of its association of centers and organizations in the world and in the Center’s local jurisdiction, and in that role to present, propagate, and support the teachings of the Shambhala lineages;

(b) To establish, maintain and operate a church for religious practice and worship in accordance with the precepts and teachings of Buddhism, as taught and practiced within Shambhala, and, specifically within Shambhala [USA/Canada/Europe], a Buddhist church and association of Buddhist churches with which the Center is associated;

(c) To promote and encourage cooperation and communication between the Center and the other Centers and organizations within the Shambhala Mandala and under the direction and control of Shambhala [USA/Canada/Europe];

(d) [USA ONLY] To conduct the activities of the Center exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as the same may be amended from time to time; and,

(e) To fulfill the purposes and exercise the powers of Shambhala and Shambhala [USA/Canada/Europe], as set forth in the [USA ONLY] Amended and Restated Articles of Incorporation of Shambhala International (Vajradhatu), which are incorporated herein by reference as if fully set forth.

3. Assets. The assets of the Center are dedicated to the purposes of the Shambhala Mandala and Shambhala [USA/Canada/Europe] and in the event of the

liquidation, dissolution or winding up of the Center shall be transferred, conveyed and distributed to Shambhala [USA/Canada/Europe] or any successor to Shambhala [USA/Canada/Europe]; or in the event Shambhala [USA/Canada/Europe] or its successor shall not then exist, then in a manner designed to carry out the purposes of Shambhala [USA/Canada/Europe], [USA ONLY] provided that no assets shall be distributed to any organization whose purposes are not exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 and Regulations adopted thereunder as at any time amended.

4. Governance by Shambhala.

(a) The Center is subject to the governance of the Sakyong Mipham Jampal Trinley Rinpoche as lineage holder of Shambhala and the governing bodies and officers of the Shambhala Mandala and Shambhala [USA/Canada/Europe] in all matters of dharma practice and instruction, organization, administration, and finances.

(b) The Center may adopt local procedures for appointment, compensation, and replacement of its directors and officers; provided that all such appointments shall be confirmed by the Sakyong Mipham Jampal Trinley Rinpoche or his designee, and all directors and officers shall be subject to the removal from office for cause by the Sakyong Mipham Rinpoche or his designee in accordance with procedures in effect within the Shambhala Mandala.

(c) The Center shall have the authority to adopt operational Bylaws and policies in furtherance of and consistent with these Bylaws, provided that in the event of any conflict, the provisions of these Bylaws shall govern.

5. Registered Service Marks. The Center acknowledges that the Shambhala Mandala, acting through Shambhala [USA/Canada/Europe] and Shambhala/Nalanda Foundation (collectively, for purposes of this paragraph only, “Shambhala International”) have adopted, own and use world-wide, the names and Service Marks Shambhala, Shambhala Center, Shambhala Meditation Centers, and Shambhala Training, and have registered the same with the U.S. Patent and Trademark Office for educational services in International Class 41 and for religious, ministerial and educational services in International Class 42 (the “Service Marks”).

(a) The Center acknowledges that the Service Marks, and the goodwill symbolized thereby, are the sole and exclusive property of Shambhala International. The Center agrees that it will do nothing inconsistent with such ownership and that all use of the Service Marks by the Center shall inure to the benefit of and be on behalf of Shambhala International, that the Center is estopped from establishing any claim of adverse possession to the Service Marks, and agrees to assist Shambhala International in recording this agreement with appropriate government authorities where necessary.

(b) The Center acknowledges that nothing in these Bylaws shall give the Center any right, title or interest in or to the Service Marks and that it shall not attack Shambhala International title to the Service Marks or attack the validity of the Service Marks as service marks or Service Marks.

(c) The Center acknowledges and agrees that it has no power or right to, and shall not at any time (i) attach, pledge or otherwise encumber the title or any rights of Shambhala International in or to the Service Marks anywhere in the world, (ii) claim any right, title or interest in or to the Service Marks, or (iii) register or apply to register the Service Marks in the United States Patent and Trademark Office or in any State of the United States, nor seek registration of the Service Marks anywhere in the world in the Center's name or in any other name not otherwise expressly authorized by Shambhala International in a signed writing.

6. Dispute Resolution. The Center agrees that in the event of any dispute between the Center, its directors, officers, or representatives (for purposes of this paragraph, the "Center") and Shambhala, Shambhala [USA/Canada/Europe], any other member organization of the Shambhala Mandala, or any director, officer, or representative of Shambhala or Shambhala [USA/Canada/Europe], acting in his or her official capacity (for purposes of this paragraph, collectively referred to as the "Shambhala Mandala"), such dispute shall be resolved exclusively by means of the internal dispute resolution procedures established by the Sakyong Mipham Jampal Trinley Rinpoche and the governing bodies of the Shambhala Mandala. As used herein, the term "dispute" shall be construed as broadly as possible and includes, without limitation, any claim or controversy arising out of or related to the Charter, these Bylaws, or, more generally, the relationship between the Center or its directors or officers, in their official capacity, and the Shambhala Mandala, whether legal or equitable and regardless of the nature of any cause of action or legal theory under which such dispute could be asserted. The Center agrees that it shall fully participate in, comply with, and be absolutely bound by any final decision entered in accordance with such internal dispute resolution procedures, which may include mediation and mandatory binding arbitration before an arbiter or arbiters appointed by the Sakyong Mipham Jampal Trinley Rinpoche or his designee; that the final decision entered in such internal dispute resolution procedures shall, to the fullest extent permitted by law, not be subject to review by or appeal to any civil court or tribunal in any jurisdiction whatsoever; and that such final decision shall be fully enforceable to the fullest extent of the law as an arbitration or similar award by the civil courts having jurisdiction over the Center.

7. Amendment. These International Bylaws may be amended at any time by action of the governing body of the Shambhala Mandala.

The foregoing International Bylaws are hereby adopted by the Center this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Secretary

**ACKNOWLEDGEMENT**

The Shambhala Meditation Center of \_\_\_\_\_ is hereby acknowledged as a member lineage institution of Shambhala and an associate local center or division of Shambhala [USA/Canada/Europe] as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**SHAMBHALA**

**By: Shambhala [USA/Canada/Europe]**

[SEAL]

By: \_\_\_\_\_

Title: \_\_\_\_\_