

How To Form a Ski/Snowboard Club in California

This document is meant only as a guideline and you are advised to consult with an attorney. You can save a lot of money if you try to understand what you need to do and attempt to fill out the forms as best you can before meeting with the attorney. There are also books available to assist you.

The purpose of this document is help an organization create a Ski or Snowboard Club in the State of California. Essentially you need to establish your club as a corporation. In most cases, you will be applying as a nonprofit tax exempt corporation. While clubs generally fall under two categories, most clubs are classified as IRS 501(c)(7) or California 23701g corporations. In some rare cases, a club may qualify under IRS 501(c)(3) or California 23701d.

IRS 501(c)(3) / 23701d Nonprofit, tax-exempt corporation for charitable organizations

IRS 501(c)(7) / 23701g Nonprofit, tax-exempt corporations for social and recreation organizations

Federal Forms and Publications Needed—

Form SS-4	Application for Employee Identification Number (EIN)
Form 1023	Application for Recognition of Exemption under section 501(c)(3) (<i>for Charities</i>)
Form 1024	Application for Recognition of Exemption under section 501(a) (<i>for 501(c)(7) or Clubs</i>)
Form 8718	User Fee for Exempt Organization Determination Letter Request
Form 990	Tax Return of Organization Exempt from Income Tax
Publication 557	Tax-Exempt Status for Your Organization (see pg. 47 for 501(c)(7))

You can apply for Federal Forms and Publications via

- internet www.irs.ustreas.gov/formspubs/index.html
- phone 800.338.0505
- mail Western Area Distribution Center, Rancho Cordova, CA 95743-0001

California State Forms and Publications Needed—

Name Availability Inquiry Letter	(www.ss.ca.gov/business/corp/corp_naav2.htm)
Name Reservation Request Form	(www.ss.ca.gov/business/corp/corp_naav2.htm)
Form FTB 3500	Exemption Application
Form FTB 199	California Exempt Organization Annual Information Return
Publication FTB 927	Exempt Organizations

California Secretary of State, 1500 11th St., Sacramento, CA 95814

You can apply for State Forms and Publications via

- internet www.ftb.ca.gov/forms/index.html
- phone 800.338.0505
- mail Tax Forms Request Unit, Franchise Tax Board, POB 307, Rancho Cordova, CA 95741-0307

Web Resources—

<http://www.taxes.ca.gov/exemptbus.html>
<http://www.irs.gov/charities/social/index.html>

Steps to Starting a Ski/Snowboard Club as a Corporation—

- Establish a statement of purpose and goal to determine which 501(c) corporation to apply for.
- Reserve corporation name with the Secretary of State. California requires a fee.
- Apply for Employee Identification Number (EIN) using Federal form SS-4. Can be done by phone or mail.
- Write the Corporation's Articles of Incorporation and file for certification with the Secretary of State with fee.
- Draft the Corporation's By-Laws.
- Establish budget for current year (and estimate for next two years if new corporation).
- Apply for Federal Exempt Status by filing Form 8718 with user fee and Form 1023/1024.
- Apply for California State Exempt Status by filing FTB 3500 with fee.
- Annually File Form 990 for Federal Tax Return.
- Annually file Form 199 for California Tax Return.

Because California and federal laws are generally the same for nonprofit corporations, we recommend you obtain state and federal application forms and draft articles of incorporation for both the state and federal governments at the same time.

Establish a statement of purpose and goals to determine 501(c) corporation—

Starting a nonprofit organization can take you down many paths but each journey begins with a mission. A mission is simply a clear statement of the scope and dimension of your nonprofit corporation. Why does your nonprofit need to exist? Who will it serve? What will it actually do? Where will you operate? The answers to these questions should help formulate a clear mission statement.

Now that you know your mission, what are the technical issues of starting a nonprofit? First you must determine if your mission requires establishing a nonprofit corporation. Tax-exempt organizations do not pay federal corporate income taxes. Not all state regulations are equal in regards to tax status of nonprofits so be certain to check with your state government.

Incorporating as a nonprofit is very similar to incorporating as a for-profit. Each nonprofit corporation must file articles of incorporation specifically stating the purpose of the organization. Each nonprofit corporation must establish by-laws and consider regulations and operational requirements. Also each state has independent regulations regarding incorporation.

Reserve Corporation Name—

Choosing and reserving a corporate name requires careful research. Naming your corporation is important and there are legal requirements to consider. Trademark law applies to nonprofits and you should choose a name that will not infringe on the rights of others. Your state will be able to tell you if your name is the same as, or confusingly similar to, any other corporation operating within the state but that does not mean you can necessarily use it.

Federal trademark law covers all states and should be considered when selecting a name. Often your name must include the term Incorporated, Corporation, Company or Club in full or abbreviated form. There are also specific words (i.e., bank, trust, trustee, cooperative, etc.) banned from being included in your name that refer to special types of corporations.

After you select a name that is available and not likely to infringe upon the rights of others, you can reserve the name until your filing is complete. You should do this before you prepare all of your documentation to prevent someone else from reserving your name while you are completing your paperwork. Often you can call or check for availability online to speed the process but some states do require you to write for information an confirmation.

You can also operate under a fictitious or assumed name by filing separate documents after you have established your corporation. Some organizations choose to do this as their corporate name is difficult to use in its full form. You must contact the city and/or county clerk and/or recorder where the principal place of business is located for information regarding filing or registering fictitious business names.

*In California, a preliminary check of the availability of a corporate name can be made by mailing the **Name Availability Inquiry Letter** to the Secretary of State's Office, 1500 11th St., Sacramento, CA 95814. Email inquiries are not accepted at this time.*

*A request to reserve a corporate name can be made over-the-counter at any Secretary of State office location or can be addressed in writing to the Sacramento office, Secretary of State, 1500 11th St., Sacramento, CA 95814. Fees and instructions for reserving a corporate name are included on the **Name Reservation Request Form**. Email requests for reservations are not accepted at this time. A name reservation is made for a period of 60 days, and can be renewed, but not for consecutive periods, to the same applicant or for the benefit of the same party.*

*Each **Name Availability Inquiry Letter** requires a \$4 fee. Each **Name Reservation Request Form** requires a \$10 fee. Since you can list up to three name choices on the **Name Reservation Request Form**, you may not need to do a **Name Availability Inquiry Letter**.*

You can not use a name until you receive verification from the Secretary of State.

Apply for Employee Identification Number—

Complete form SS-4 and then apply over the phone or through the mail to apply for an Employer Identification Number (EIN). You will need an EIN for all applications.

Please note that exempt organizations should use the following address and phone number when applying for an EIN, regardless of where they are located:

Internal Revenue Service
Attn: Entity Control
Mail Stop 6271
P.O. Box 9941
Ogden, UT 84201
801-620-7645 (not a toll-free number)

Write the Corporation's Articles of Incorporation—

Articles of Incorporation create the primary incorporation document that is the basis for a corporation coming into existence. Remember it is generally easier to change your By-Laws than the Articles of Incorporation.

In general, an organization is a group of persons banded together for a specific purpose. To qualify under section 501(a) of the Code, the association must have a written document, such as "Articles of Incorporation," showing its creation. At least two persons must sign the document, which must be dated.

The definition of an organization can vary under state law. You may wish to consult the law of the state in which the organization is organized. Note that for an organization to qualify under section 501(c)(3) of the Code, its articles of association must contain certain language. Publication 557 contains suggested language.

Articles of Incorporation are filed and certified by the Secretary of State in the State in which you intend to operate.

It is best to write one set of Articles of Incorporation that use the wording required by both the Federal and State governments. See Appendix A for a sample Articles of Incorporation appropriate for a 501(c)(7) corporation in California.

*In California words, a 501(c)(3) is a nonprofit **Public Benefit Corporation** and a 501(c)(7) is a nonprofit **Mutual Benefit Corporation**.*

- *While not required to name initial directors in Articles of Incorporation, if initial directors are named, all initial directors must sign and acknowledge the articles.*
- *If initial directors are not named in the Articles of Incorporation, the articles shall be signed by one or more persons who thereupon are the incorporators of the corporation.*
- *Corporations Code require the articles to set forth the name of the initial agent for service of process. If the initial agent for service of process is an individual, the articles must set forth the address for purposes of service of process. If the initial agent for service of process is a corporation, no address is to be stated. Please note, a corporation cannot act as its own agent.*
- *The Board of Directors cannot be given unlimited authority to make, alter, amend or repeal bylaws of the corporation. Once members have been admitted, Corporations Code require member approval for bylaw changes.*
- *The articles may set forth the number of directors of the corporation. If the number of directors is set forth, the number must be either a specified number, or a range identifying an acceptable minimum and maximum number of directors, but not both.*
- *A mutual benefit corporation cannot do any of the following: (a) use the word "foundation" in the corporate name; (b) create the impression that the corporate purpose is public, charitable, or religious; or (c) create the impression that it is a charitable foundation.*
- *Generally, the purpose clause must state the exact language as prescribed by Corporations Code as applicable. Unless otherwise required by law, any deviation from the required purpose statement can be cause for rejection.*
 - *The articles of incorporation of a **nonprofit mutual benefit** corporation must contain the following purpose clause: "This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law."*
 - *If the corporation is a **public benefit corporation** and the purpose includes "public" purposes, the articles must include an additional description of the corporation's purposes*
- *All memberships have exactly the same rights, preferences, privileges and restrictions unless the articles or bylaws provide specification as to memberships with different rights, preferences, privileges, restrictions or conditions (e.g. classes of memberships).*

In California, the fee for filing Articles of Incorporation on behalf of a nonprofit, non-stock corporation is \$30. Check should be made payable to the Secretary of State, 1500 11th St., Sacramento, CA 95814. The original and at least four copies of the Articles of Incorporation should be included with your submittal. The Secretary of State will certify two copies of the filed document without charge, provided that the copies are submitted to the Secretary of State with the original to be filed. Any additional copies submitted with the original will be certified upon request and payment of \$8 per copy certification fee. Documents may be hand delivered to any Secretary of State office location for over-the-counter processing or may be mailed to the Sacramento office, Secretary of State, 1500 11th St., Sacramento, CA 95814.

A \$15.00 special handling fee is applicable for processing documents delivered in person at the public counter in the Sacramento office or in any of the regional offices located in Fresno, Los Angeles, San Diego and San Francisco. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be retained whether the documents are filed or rejected. The special handling fee does not apply to documents submitted by mail to the Sacramento office, Secretary of State, 1500 11th St., Sacramento, CA 95814.

Draft the Corporation's By-Laws—

By-laws are your internal operating procedures. They include provisions for such operational items as the forming of the board of directors, how many, their qualifications, length of term, when they will meet, officers etc. By-laws also include provisions for member or nonmember structure for the organization and tax provisions.

Corporate bylaws are not filed with the Secretary of State. Bylaws are filed with the Federal government with the request for tax-exempt status. Bylaws are kept at the corporation's principal executive office (if located in this state) or the corporation's principal business office in this state. The bylaws shall be open to inspection by the members at all reasonable times during office hours. If the principal executive office of the corporation is outside this state and the corporation has no principal business office in this state, it shall, upon the written request of any member, furnish to that member a copy of the bylaws as amended to date.

See Appendix B for a sample set of By-Laws appropriate for a 501(c)(7) corporation.

Establish budget for current year—

Existing organizations now incorporating must give financial statements for the past three years. New organizations must give financial statements for the current year and proposed budgets for the next two years, including a detailed breakdown of revenue and expenses. A section 501(c)(3) or 501(c)(7) organization provides this information on Part IV, Form 1023 or Form 1024, respectively.

File for Federal tax-exempt status—

The benefits of incorporating a nonprofit are mainly derived from receiving tax-exempt status and the IRS will determine your status. Initially, the IRS assumes a nonprofit corporation is a private foundation until the organization receives a determination letter giving it tax-exempt status.

You need the following to file for Federal tax-exempt status

- Employee Identification Number
- Form 1023 or 1024
- Form 8718 with appropriate user fee
- Conformed copies of the organizing documents
 - A copy of the Articles of Incorporation approved by the appropriate Secretary of State
- Copy of By-Laws
- Detailed budget

You will need your EIN, Employer Identification Number, for all applications.

Form 1023 is used to apply for federal tax-exempt status that qualify under Section 501(c)(3). The purpose of these organizations must be religious, educational, scientific, charitable or literary.

Form 1024 is used to apply for federal tax-exempt status qualify under Section 501(c)(7). The purpose of these clubs should be for pleasure, recreation, and other similar non-profitable purposes and substantially all of its activi-

ties must be for these purposes. An organization will not be recognized as tax exempt if its charter, by laws, or other governing instrument, or any written policy statement provides for discrimination against any person based on race, color, or religion. However, a club that in good faith limits its membership to members of a particular religion, to further the teachings or principles of that religion and not to exclude individuals of a particular race or color, does not discriminate based on religion. Members must be bound together by a common objective directed toward pleasure, recreation, and other nonprofitable purposes.

The membership in a social club must be limited. A club that issues corporate membership is dealing with the general public in the form of the corporation's employees. Evidence that a club's facilities will be open to the general public (persons other than members or their dependents or guests) may cause denial of exemption. This does not mean, however, that any dealing with outsiders will automatically deprive a club of exemption.

In general, a club should be supported solely by membership fees, dues, and assessments. A section 501(c)(7) organization may receive up to 35% of its gross receipts, including investment income, from sources outside of its membership without losing its tax-exempt status. Of the 35%, not more than 15% of the gross receipts may be derived from the use of the club's facilities or services by the general public or from other activities not furthering social or recreational purposes for members. If an organization has non-member income that exceeds these limits, all the facts and circumstances will be taken into account in determining whether the organization qualifies for exempt status.

No part of the organization's net earnings may inure to the benefit of any person having a personal and private interest in the activities of the organization. For these purposes, net earnings need not be actually distributed, since even undistributed earnings may benefit members, by decreasing membership dues or increasing the services the club makes available to its members without a corresponding increase in dues or other fees paid for club support. However, fixed fee payments to members who bring new members into the club are not an inurement of the club's net earnings, if the payments are reasonable compensation for performing necessary administrative service.

You must include the appropriate user fee in a check or money order made payable to the Internal Revenue Service with your Form 8718, User Fee for Exempt Organization Determination Letter. The correct fee is \$500 or, in certain limited circumstances, \$150 (see Form 8718 for further details). Congress mandates that the IRS collect a fee for this application. Accordingly, the IRS cannot waive the user fee).

Conformed documents consist of copies of the organizing documents (i.e., Articles of Incorporation) that agree with the original and all amendments to it. If the original required a signature, the copy should be signed. A certificate of incorporation should be approved and dated by the appropriate state official. While not an organizing document, a copy of the by-laws should be attached.

Existing organizations now incorporating must give financial statements for the past three years. New organizations must give financial statements for the current year and proposed budgets for the next two years, including a detailed breakdown of revenue and expenses. A section 501(c)(3) or 501(c)(7) organization provides this information on Part IV, Form 1023 or Form 1024, respectively.

You are now ready to submit the organization's completed application to the following address:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

Applications shipped by express mail or delivery service should be sent to:

Internal Revenue Service
201 W. Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, Ky. 41011

File for California tax-exempt status—

In California, nonprofit corporations are subject to California corporation franchise tax requirements until such time as they formally dissolve unless a determination of exemption is issued by the Franchise Tax Board. All corporations, even if organized on a nonprofit basis, are subject to California franchise or income tax. If you have obtained federal exemption for your organization, you must still submit an Exemption Application to obtain state tax exemption.

In order to be granted tax-exempt status, the organization must apply for exemption with both the IRS and the FTB.

Submit the Exemption Application (FTB 3500) at least 90 days prior to the date you need exempt status for your organization so that the State will have adequate time for processing. If you have received federal exempt status, furnish a copy of the federal determination letter with your state application.

Application for a determination of exemption must be made after incorporation. Mail the following to

Franchise Tax Board, PO Box 942857, Sacramento CA 94257-4041

- *An Exemption Application Form (FTB 3500) with an original signature*
- *A check for \$25.00 payable to the Franchise Tax Board for the Exemption Application fee*
- *One copy of the endorsed Articles of Incorporation*
- *One copy of the proposed By-Laws*
- *One copy of your proposed budget*
- *All other required information and supporting data identified in form FTB 3500*
- *Copy of your Federal exemption*

File an Annual Federal Income Tax Form —

Generally, tax-exempt organizations must file an annual information return. Tax-exempt organizations that have annual gross receipts not normally in excess of \$25,000 are not required to file the annual information return.

Tax-exempt organizations with gross receipts in excess of \$25,000 must file a Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax. The Form 990-EZ is designed for use by small tax-exempt organizations and nonexempt charitable trusts. An organization may file Form 990-EZ, instead of Form 990, only if (1) its gross receipts during the year were less than \$100,000, and (2) its total assets (line 25, Column (B) of Form 990-EZ) at the end of the year were less than \$250,000. If your organization fails to meet either of these conditions, you cannot file Form 990-EZ. Instead you must file Form 990. All private foundations exempt under 501(c)(3) must file Form 990-PF, Return of Private Foundation.

Form 990, Form 990-EZ, or Form 990-PF must be filed by the 15th day of the 5th month after the end of your organization's accounting period. The Form 990 and Form 990-EZ instructions and the Form 990-PF instructions indicate the Service Center to which they must be sent.

A tax-exempt organization that fails to file a required return is subject to a penalty of \$20 a day for each day the failure continues. The same penalty will apply if the organization fails to give correct and complete information or required information on its return. The maximum penalty for any one return is the lesser of \$10,000 or 5 percent

of the organization's gross receipts for the year. If the organization has gross receipts in excess of \$1,000,000, the penalties are increased to \$100 per day with a maximum penalty of \$50,000.

Even though an organization is recognized as tax exempt, it still may be liable for tax on its unrelated business income. An exempt organization that has \$1,000 or more gross income from an unrelated business must file Form 990-T, Exempt Organization Business Income Tax Return. The obligation to file Form 990-T is in addition to the obligation to file the annual information return. Tax-exempt organizations must make quarterly payments of estimated tax on unrelated business income. An organization must make estimated tax payments if it expects its tax for the year to be \$500 or more. The Form 990-T of a tax-exempt organization must be filed by the 15th day of the 5th month after the tax year ends. An employees' trust must file Form 990-T by the 15th day of the 4th month after its tax year ends. A tax-exempt organization's Form 990-T is not available for public inspection. For additional information, see the Form 990-T instructions or Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

Every employer, including a tax-exempt organization, who pays wages to employees is responsible for withholding, depositing, paying, and reporting federal income tax, social security taxes (FICA), and federal unemployment tax (FUTA) for such wage payments, unless that employer is specifically excepted by statute from such requirements or if the taxes are clearly inapplicable. For more information, download Publication 15, Circular E, Employer's Tax Guide, Publication 15-A, Employer's Supplemental Tax Guide, Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return and Form 941, Employer's Quarterly Federal Tax Return.

File an Annual California Income Tax Form —

A tax-exempt organization is a unique entity that is almost always a nonprofit organization. However, a nonprofit organization cannot be exempt from California income tax until the organization applies for exemption and the Franchise Tax Board (FTB) issues a determination of exemption.

Non profit tax exempt corporations must file a Form 199, California Exempt Organization Annual Information Return, with the state if your gross receipts are more than \$25,000. If you have been in existence for a year, you must file if your gross receipts are more than \$37,500. If you have been in existence for 2 years, you must file if average gross receipts are more than \$30,000.

Form 199 is due by the 15th of the 5th month after the accounting period ends. If payment is included with the completed and signed form, mail it to Franchise Tax Board, PO Box 942857, Sacramento, CA 94257-0701. Include your California corporation number and the words Form 199 on the check or money order.

If Form 199 can't be filed by the 15th of the 5th month after the accounting period ends, the exempt organization has an additional seven months to file without filing a written request for extension. However, an organization that is not in good standing or suspended on the original due date of the return will not be given an extension of time to file.

Organizations required to file Form 199 must pay a \$10 filing fee. If the \$10 is not paid by the due date (including extensions), an additional \$15 is assessed. An organization that fails to file the return on or before the original due date (or extended due date), is assessed a penalty of \$5 for each month, or part of the month, the return is late. The penalty may not exceed \$40.

It is always a good idea for consult a tax accountant when filing your IRS Form 990 and CA Form 199.

Appendix A

Sample

Articles of Incorporation

**Articles of Incorporation
of
Club Name**

ARTICLE ONE

Section One

The name of the Corporation shall be _____.

ARTICLE TWO

Section One

The place in the State of California where the principal office of the Corporation is to be located is the City of _____ in the County of _____.

ARTICLE THREE

Section One

This corporation is a nonprofit **MUTUAL BENEFIT CORPORATION** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act of activity, other than credit union business, for which a corporation may be organized under such law.

Section Two

The specific and primary purpose for which this corporation is formed is to foster the development of the sport of skiing and snowboarding and the promotion of the welfare of all skiers and snowboarders

ARTICLE FOUR

Section One

The general management of the affairs of this corporation shall be under the control, supervision and direction of the Board of Directors. The names and addresses of persons who are to act in the capacity of directors until the selection their successors:

Director 1: _____ Address: _____

Director 2: _____ Address: _____

The number of Directors may be fixed or changed from time to time by amendment of the Articles of Incorporation of this corporation, or by amendment of the By-Laws of this corporation adopted by the vote or written assent of the member so the corporation entitled to exercise a majority of the voting power, or the vote of a majority of a quorum at a meeting of members called pursuant to the By-Laws.

The said Board of Directors is hereby authorized and directed to make and adopt By-Laws suitable and proper for the regulation and operation of the business of this Corporation.

ARTICLE FIVE

Section One

The number and qualifications of members of the corporation, the different classes of membership, if any, the voting, and other rights and privileges of members, and their liability to dues and assessments and the method of collection thereof, shall be as set forth in the by-laws of this corporation.

ARTICLE SEVEN

Section One

The property of this corporation is irrevocably dedicated to charitable and educational purposes and no part of the net income or assets of this organization shall ever insure to the benefit of any director, officer or member thereof or to the benefit of any private individual.

ARTICLE SIX

Section One

Upon the dissolution of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a non-profit fund, foundation, or corporation which is organized and operated exclusively for the same or similar purposes and which has established its tax exempt status under §501(c)(7) of the Internal Revenue Code.

ARTICLE EIGHT

Section One

This corporation reserves the right to amend these Articles of Incorporation as provided in the By-law or general corporate laws.

These persons acting as the first directors of this corporation have hereunto subscribed our names on this _____ day of _____, _____.

Director 1

Director 2

Appendix B

Sample **By-Laws**

Corporation By-laws

ARTICLE ONE - ORGANIZATION

Section One

The name of the Corporation shall be _____ Club Name _____.

Section Two

The _____ Club Name _____ is a non-profit organization dedicated to the appreciation of snow skiing, snowboarding, sightseeing, photography, etc. It is further oriented to building international understandings among skiers, snowboarders and snow sports organizations from throughout the _____ region.

Section Three

Surpluses above reserve requirements for subsequent deposits for our expeditions will be contributed to tax deductible organizations devoted to charity, research and education.

Section Four

The _____ Club Name _____ may affiliate with any Council, Club, Alliance, Organization or Association as voted on by the Board of Directors.

Section Five

No individual, group or organization shall use the name of The _____ Club Name _____ in such a way as to imply official authorization and /or endorsement without first obtaining permission from the Board of Directors.

ARTICLE TWO - MEMBERSHIP

Section One

Membership shall be open to all people regardless of age, religion, race or geographical area. Membership shall be open to any person interested in the objectives of the _____ Club Name _____.

Section Two

The membership year will begin with _____ and expire on _____ of the following year. Annual dues for membership renewal must be paid before _____ or membership privileges cease. Prorating of membership dues will not be allowed.

Section Three

The _____ Club Name _____ shall keep a membership record containing the names and addresses of each member and a signed waiver. Termination of the membership of any member shall be recorded in the record, together with the date on which such membership ceased.

Section Four

To become a member of the _____ Club Name _____ and to renew membership, a person must file with the _____ Club Name _____ Membership chairperson a completed membership application form and signed waiver together with payment of the annual dues.

ARTICLE THREE - DUES

Section One

Annual Dues for Single membership and Family membership shall be determined from time to time by a 2/3 vote of the Board of Directors. Family membership shall consist of two or more people with the same mailing address.

Section Two

Dues are payable at the time application for membership is made, and are non-refundable.

ARTICLE FOUR - TERMINATION OF MEMBERSHIP

Section One

All _____ Club Name _____ memberships expire annually as set forth in Article Two, Section Two.

ARTICLE FIVE - RIGHTS OF MEMBERS

Section One

Members of the _____ Club Name _____ are entitled to all rights and privileges by the Articles of Incorporation and these By-laws.

Section Two

Only members may vote, and each member shall be entitled to one vote upon all matters submitted to members of the _____ Club Name _____.

ARTICLE SIX - CONDUCT OF MEMBERS

ARTICLE SEVEN - BOARD OF DIRECTORS

Section One - Management

The general management of the _____ Club Name _____ shall be under the control, supervision and direction of the Board of Directors.

Section Two - Board of Directors

The board of Directors shall consist of the following officers:

(a) The elected officers of the organization shall be:

- President
- Past President
- Secretary
- Treasurer
- Vice President Communications
- Vice President Marketing
- Vice President Membership
- Vice President Public Affairs
- Vice President Travel
- Vice President Travel-Elect

(b) The appointed officers of the organization shall be:

Board of Trustees

(c) The permanent officers of the organization shall be:

The Founders of _____ Club Name _____

Section Three - Order of Succession

At the first meeting of a newly elected Board of Directors, the Directors shall determine the order of succession in the event the office of President becomes vacant. A vacancy in any other office may be filled by appointment by the Executive Committee upon a two-thirds (2/3) vote.

Section Four - Nominations for Office

Nominations for elected officers shall be made by the membership at large. Notice of such Nomination shall be given to the membership at large at least 30 days prior to the taking of nominations. Nominations may be made only by members, and nominations shall be made separately for each office. No one person may accept more than one nomination. Members may also apply for an appointed office by notifying any member of the Board.

Section Five - Eligibility

Any member shall be eligible to hold any elected or appointed office of the organization.

Section Six - Elections and Appointments

Elections shall be held annually as designated by the Board of Directors. Ballots shall be cast in writing. The candidate for each office receiving a plurality of the votes cast shall be elected. Thereafter, the newly elected Board of Directors shall appoint the officers to be appointed.

Section Seven - Term of Office

New officers shall assume office on _____ and shall serve until successors have been elected or appointed. President, Secretary and Treasurer shall be elected annually. VP of Communications, Public Affairs and Travel shall be elected in even numbered years while the VP of Membership and Marketing shall be elected in odd numbered years. The VP of Communications, Public Affairs, Membership and Marketing shall be elected for a two year term. The VP of Travel shall be elected for a term of three years. In the event the VP of Travel is elected to a consecutive term, there will be no VP of Travel Elect.

Section Eight - Vote

A member of the Board of Directors may have at most one vote.

Section Nine -Board Meetings

Regular meetings of the Board of Directors shall be held at least once a year on such day and at such time as the Board of Directors shall determine.

Section Ten - Quorum

The presence of two-thirds (2/3) of the members of the Board of Directors shall constitute a quorum for the transaction of all business at all meetings.

Section Eleven - Duties of Officers

PRESIDENT

The President shall be a part of the Executive Committee and shall responsible for the overall direction of the organization and coordination among all officers; preside at all meetings of the Board of Directors, Executive Committee and meetings of the membership at large.

SECRETARY

The Secretary shall be a part of the Executive Committee and shall record the minutes of all matters discussed and actions taken at both membership meetings and meetings of the Executive Committee and Board of Directors and maintain the organization's Minutes of Record; handle all general correspondence of the organization as required and directed by other officers; answer inquiries from members, other organizations, etc.

TREASURER

The Treasurer shall be a part of the Executive Committee and shall keep track of all money received and deposited to the organization; keep the financial records of the organization; receive vouchers and make appropriate payments; prepare monthly financial reports; prepare and submit all government-required tax forms; oversee any trust account specifically opened to handle an _____ Club Name _____ program; keep track of all property and equipment owned by the organization.

VICE PRESIDENT COMMUNICATIONS

The VP of Communications shall maintain organization scrapbooks and photograph albums; prepare the _____ Club Name _____'s newsletter in a form suitable for printer; make arrangements for printing and for mailing; coordinate with officers and members of the organization to receive items for publication in the newsletter; take advertisements and collect fees; if established, maintain the _____ Club Name _____'s Web page.

VICE PRESIDENT TRAVEL AND TRAVEL ELECT

The VP of Travel shall be responsible for the coordination of all trips offered by the _____ Club Name _____. The first year of the term for Travel would be as the VP of Travel Elect. The VP of Travel Elect shall be responsible for taking direction from the VP of Travel. The VP of Travel Elect becomes the VP of Travel during their second year and shall assume sole responsibility for the Travel Program. During the third year of the Travel term, the VP of Travel shall be responsible for training the VP of Travel Elect.

VICE PRESIDENT MARKETING

The VP of Marketing shall be responsible for the marketing and development of the _____ Club Name _____. The VP of Marketing shall act as the liaison in the use of our logos or name by outside organizations.

VICE PRESIDENT MEMBERSHIP

The VP of Membership shall accept and process all membership applications; maintain accurate and current Membership list and distribute same to other officers; prepare mailing labels as requested; prepare membership form; maintain copies of all membership applications with signed waivers.

VICE PRESIDENT PUBLIC AFFAIRS

The VP of Public Affairs shall be responsible for the advancement, execution and follow up of the educational and charitable programs of the _____ Club Name _____.

PAST PRESIDENT

The Past President shall be the immediate past president. The Past President shall be a part of the Executive Committee and shall facilitate the transition between the current board and the previous year's board.

TRUSTEES

Trustee(s) shall be appointed by the Executive Committee. A Trustee shall be responsible for making recommendations for the educational and charitable direction of the _____ Club Name _____. A Trustee has no vote on the Board of Directors.

FOUNDERS

The founders shall be a part of the Executive Committee with the power to veto any Board of Director decision that may jeopardize relations among the industry, the _____ Club Name _____, skiers or snowboarders. The decision to veto must be unanimous among the Founders.

ARTICLE EIGHT - EXECUTIVE COMMITTEE

Section One

There shall be an Executive Committee of the board of Directors consisting of the President, Secretary, Treasurer, Past President and the Founders.

Section Two

The Executive Committee shall meet, as soon as practicable after its election;

- a. Adopt a table of organization designating additional directors and as many chairman as necessary.
- b. Appoint such additional members of the Board of Directors as shall be necessary, each of who shall be Chairman of one of the Standing Committees of the _____ Club Name _____.

Section Three

The power of appointment shall reside solely in the Executive Committee of the Board of Directors. All appointments shall be with the approval of a two-thirds (2/3) vote of the Executive Committee.

Section Four

Any member of the board of Directors who shall accumulate four (4) consecutive absences or six (6) non-consecutive unexcused absences from the board meetings of this organization may, at the discretion of the Executive Committee, lose his office.

ARTICLE NINE - MEETINGS OF THE CLUB NAME

Section One - Regular Meetings

_____ Club Name _____ shall schedule monthly regular meetings.

Section Two - Special Meetings

Special meetings may be called upon the recommendation of two-thirds (2/3) the Board of Directors. A written notice of any special meeting shall be mailed by the _____ Club Name _____ Secretary to each member of record on the date such meeting is called not less than thirty days prior to such meeting. Such notice shall contain the date, time and place of such special meeting and the purpose for which it is called.

Section Three - Plurality

Unless otherwise specifically provided by these By-laws, a majority vote of those members in attendance at any meeting shall be sufficient to pass any matter presented to the membership at such meetings.

ARTICLE TEN - FISCAL YEAR

The fiscal year of the _____ Club Name _____ shall be from _____ through _____.

ARTICLE ELEVEN - EXPENDITURES

Section One

No request, commitment or expenditure of funds for the organization shall be made without prior consideration and approval of the Board of Directors. No officer of the _____ Club Name _____ is authorized to incur expenses in the name of the _____ Club Name _____ without prior approval.

Section Two

The Board of Directors shall set budget requirements and procedures at the beginning of each term, and budget requests by committees shall be approved by the Board of Directors.

Section Three

A minimum balance shall be maintained in the general account for the managing the business of operating the _____ Club Name _____, i.e., phone, stamps, stationary supplies, as budgeted at the first meeting of the Board of Directors.

Section Four

Reimbursement of expenses incurred by officers of the _____ Club Name _____ will be paid only upon submittal of an itemized expense report to the Board of Directors which must pre-approved by the same before transmittal to the Treasurer for payment.

Section Five

A Travel Trust Account shall be set up to handle all Trips. Before a trip contract is signed, a trip budget must be submitted and approved by the Board of Directors. The VP of Travel shall be responsible for all control and expenses listed in the budget and shall submit the reconciled bank statement to the treasurer

each month. Any expenses over and above the approved budget must be approved by the Board of Directors.

ARTICLE TWELVE - CONFLICT OF INTEREST

Section One

At any time the _____ Club Name _____ considers, discusses or votes upon a contract or other transaction between the organization, a firm or association in which one or more of its officers are directors or are financially interested, the fact of the common directorship or financial interest shall be disclosed or made known to the officers or committees and noted in the minutes, and the Executive Committee shall approve or ratify such a contract or transaction.

Section Two

The Board of Directors may authorize, approve or ratify any such transaction in good faith and shall require a vote which would be sufficient to that purpose without counting the vote or votes of the Directors who are in conflict with the transaction.

Section Three

The VP of Travel shall not derive an income from any aspect of the Travel Industry.

ARTICLE THIRTEEN - PARLIAMENTARY PROCEDURES

Section One

All meetings of this organization shall be conducted subject to the standard parliamentary laws as set forth in Robert's' Rules of Order.

Section Two

The President may appoint any member in good standing as Parliamentarian of the organization to see to the application of such rules at all meetings hereof.

ARTICLE FOURTEEN - USE OF _____ CLUB NAME _____ NAME AND LOGO

Section One

The organization name and/or logo shall not be used without the prior approval of the Board of Directors.

ARTICLE FIFTEEN - AMENDMENTS

Section One

These by-laws may be amended only upon two-thirds (2/3) vote of the entire Board of Directors and ratification by a majority vote of the membership at large present and voting at a meeting at which such amendment is presented to the membership at large.

Section Two

All proposed amendments shall be presented to the Board of Directors for its action 30 days prior to presentation to the membership at large. All proposed amendments shall be presented to the membership by publication; voting by the membership at large shall take place at the next general election.

Section Three

Any amendment to the Constitution or By-laws of the _____ Club Name _____ that is brought to a vote must state the pros, cons and financial impact. The record of which Board of Director members voted for, against or abstained must be included.

Organizational Structure

Board of Directors

