

Non- Lawyer Thoughts on Incorporating Your Club

It must be said, straightaway, that I am not a lawyer nor have I consulted one concerning the incorporation of our Piedmont Chapter. I have, however, talked to many who seem to know and the bottom line is, **in Virginia at least**, that if a corporation is sued for no matter what reason, only the assets of that corporation can be touched. To me, this makes a lot of sense and protects my members, my teachers, and myself. Don't forget that each state is different so it would behoove you to check the regulations before starting the process.

Things you need (in Va. at least)

You want to file for a 501c(7) that is for a social club.

You want to get incorporated.

You want to get an EIN #.

You need Articles of Incorporation

You need Club Bylaws

You need to take a very deep breath before starting.

You need to remember with whom you are dealing!

The Process

Go to the IRS website, <http://www.irs.gov/>, and pull up form 1024. It will say 501(a) and you really want to file for 501C(7) but you need to fill out all this too! Do not even contemplate a 501C3 as it's far too complicated and really isn't applicable. Don't let people talk you into this one.

#8-a (corporation), states "attach a copy of the Articles of Incorporation showing approval by the appropriate state official! Also attach a copy of the bylaws." This is a bit tricky.

#1 gather your board and write chapter bylaws for yourselves. Actually, you should have them anyway. I took the National bylaws off the web and tweaked them to suit our purposes. Hope said it was all right to do so.

#2 go to the SCC site for your state, ex. www.scc.virginia.gov. Under divisions, you can click on office of clerk. Find business entity forms. Go to domestic corporation and form #819. Fill it in, send them their money and you will receive a lovely piece of paper stating that you are now incorporated. Easy.

Go back to IRS website

You will need to pull up form #8718 and fill that out **in addition to** the 1024. All the copies of these papers, your bylaws, and that lovely piece of paper that the SCC sent you PLUS, of course, more money goes in an envelope to the IRS in Covington KY. The address is on form 8718. In due time, you will receive an exemption status.

EIN Number

Your club needs one of these for filing the tax report thing at the end of the year. I pulled up the EIN form SS-4 from the IRS website. I looked it over to see what information they might want and then I used the old fashioned telephone, 1 800 829 4933, got a very pleasant lady, answered a few questions and was assigned a number right then and there. How easy is that?

This number should go on your club's checks when you re-order.

More Advice

You might be tempted to go to some site such as www.mycorporation.com. They are very helpful BUT they do not do 501C7's so my advice is not to bother with this type of thing. It's very tempting as they say they will do all the work for you. They will, but NOT for a 501C7. Basically, there's no money in it for them.

When you pull up all the forms etc, there is a lot of information most of which does not pertain to small social clubs such as ours. It's a good idea, however, to skim through some of it so you will have a fair idea of what you're doing. There's no way you can read it all and not go cross- eyed!

Again, is it all worth it? You must, obviously, decide for yourselves and, if I were you, I would probably ask a lawyer but remember, not all lawyers are familiar with this sort of thing. This is where I got into trouble. I couldn't find anyone I knew who was cognizant of these rules and three people I contacted never bothered to call back. Our board felt that \$225 was a cheap price to pay for property protection. It's a sad comment on today's society that one must think in this direction but pro-acting is far better than re-acting.

Insurance/Waivers

Every instructor and every venue should be insured. It is up to you to check this out. Farm waivers may be necessary in addition to the OPRC ones. Remember, each state may have it's own laws concerning property rights etc.

You can check with Susan Fox in Md. Her email is Sfox@insurance-inc.com and I think she already insures some chapters.

If I can help you in any way, do contact me. However, about all I know I have written here. I'm sure there are those members out there that will challenge my actions but I did what I thought was the right thing.