

**NEW CHAPTER, NEW PRESIDENT: What You Really Need To Know**  
**Quick Information Guide 2014-2015**

The following was prepared by your Circuit Vice-Presidents to highlight information helpful for your upcoming year. This is meant as a summary guide, so please check the website [www.fedbar.org](http://www.fedbar.org) or call us for further information.

**I. Helpful Contacts**

Circuit Vice-Presidents:

We are here to help. We both have been involved at the Chapter and the National level, and can offer suggestions and ideas anytime.

FBA Manager of Chapters and Sections:

Jane Zaretskie [jzaretskie@fedbar.org](mailto:jzaretskie@fedbar.org) (571) 481-9107

Jane is a great resource, she knows everything about how chapters can do anything, and she is very responsive. Ask for her help, you will get it.

**II. Success: Setting Up Your Chapter for the Coming Year**

At the end of this guide, you will find the National FBA information sheet on “**Chapters and Finances.**” This document is *essential* to understanding the chapter’s tax exempt status, obtaining an EIN number (with a link to the form), establishing a bank account and filing a tax return.

The FBA National also has prepared: (1) Chapter Achievement Plan, suggesting goals for the first 30 and 90 days of your incoming presidency; and (2) Chapter Position Descriptions, suggesting positions for individual board members. Please let us know if you want a copy.

**III. Calendar These Upcoming Events**

**March 28, 2015** – Mid-Year Meeting in Arlington, Virginia.

This is a chance to meet with FBA members from all around the country, to share ideas and hear what the FBA is doing. National FBA National FBA will reimburse 100% airfare for one person or 50% airfare for two people, but you can contact Jane Zaretskie to make a case for 100% airfare reimbursement for two people.

### ***May 1-2, 2015-*** Chapter Leadership Training

This is a training for incoming chapter presidents. This is an invaluable training in which incoming presidents from all over the country can hear and share ideas and strategies. National FBA will reimburse one person's airfare and hotel for two nights up to \$150 per night. This is a "don't miss" event for incoming presidents. Each year, attendees come away energized and loaded with new ideas.

### ***September 10 – 12, 2015*** – Annual Meeting and Convention.

In 2015, the FBA Annual Meeting is being held in Salt Lake City. Send your president and a chapter delegate. National FBA will reimburse 100% airfare for one person or 50% airfare for two people, but you can contact Jane Zaretskie to make a case for 100% airfare reimbursement for two people.

***Quarterly membership conference calls:*** The Chapter President also will be notified by e-mail to participate in quarterly membership conference calls with chapter presidents and the national membership committee. These calls provide a host of ideas for increasing membership.

## **IV. Did You Know? A Few Facts You Should Know**

- Each chapter is entitled to have the National FBA fund half of the annual dues for a government lawyer who serves on the chapter board. It is a great way to get a government lawyer to join your board.
- Judges can be deemed Honorary Members, exempt from paying dues. A judge just needs to complete a form which you can obtain from Jane.
- Each quarter, National FBA will send a chapter a quarterly rebate check, representing 20% of dues collected from new and renewing chapter members.

## **V. Suggested Resources for Chapter Events Planning**

***Chapter Activity Fund Grants:*** A chapter may apply for a grant from the Chapter Activity Fund to finance an event. There are no limitations on the amount of money requested, but consideration will be given to available funds, the costs of the program and efforts to use alternative funding. There are no restrictions on the number of applications a chapter may submit. However, consideration of a request will be viewed in light of the prior grants given to a chapter. Priority for CAF funds will be given to smaller and newer chapters, and to events, programs and/or activities which have not previously been funded by CAF grants. After the program, the chapter will be expected

to file a report regarding the disposition of funds and the success of the program. The rules and application are on the FBA website.

*Foundation of the Federal Bar Association Chapter Community Outreach Grants:* The Foundation of the Federal Bar, which is a charitable arm of the FBA, will fund community service or outreach projects that involve FBA Chapter participation. Check the website for the rules and the application.

*Ilene and Michael Shaw Public Service Award:* A \$5,000 annual grant to provide seed money to plan and implement a public service program, as well as to continue an existing program. This award is given at the Annual Convention, with an application deadline of June 1.

*The Ilene and Michael Shaw Younger Lawyer Public Service Grant:* A \$5,000 grant awarded annually for public service projects and pro bono law related services administered by a chapter Younger Lawyer Committee. This award is given at the Annual Convention, with an application deadline of June 1.

*Sections as Co-Sponsor:* Chapters have co-sponsored events with Sections, which combines funding, resources and labor. The Federal Litigation Section has been particularly helpful in co-sponsoring events with chapters. Check the website for other sections with which you can collaborate, such as the Health Law Section, Immigration Section or Securities Section. Contact your CVPs or Jane if you need help reaching out.

*Chapters as Co-Sponsor:* Pool your money, your talent, your resources and your membership with another chapter to make an event doubly successful. This works especially well if you are in close proximity, so that members of both chapters can attend. Also, a particularly well-known speaker may attract collaboration.

*Private Firms as Host:* Most chapters ask private firms to host events, which substantially cuts costs and allows the chapter to build its treasury from the proceeds of the event.

## ***Chapters and Finances: An Overview\****

The FBA requires that its local chapters be financially and legally separate entities from the FBA. For the purposes of this overview, the following circumstances are assumed to describe accurately the operations of a typical chapter. A chapter is organized for the primary purpose of furthering the professional development of its members in the legal profession. A chapter's primary source of revenue is from rebated membership dues and other income from activities substantially related to the chapter's exempt purposes. Many chapters publish a newsletter, which is circulated to members and is not otherwise sold or circulated to non-members. A chapter often sponsors professional development programs such as seminars, luncheon discussions, and panels. Members and non-members are invited to attend such functions and the price charged is intended to defray expenses. Such programs serve the function of professional development, legal education, and promoting the bar.

### **Chapter Tax Exempt Status:**

Each FBA chapter is responsible for obtaining its own tax-exempt number and Employer Identification Number. A relatively easy process, here's how to go about obtaining these numbers:

Federal Bar Association local chapters are eligible for tax exemption from federal income tax as "business leagues" within the meaning of Section 501 (c)(6) of the Internal Revenue Code. However, recognition of your chapter is not automatic. Each chapter must apply to the IRS for recognition of its tax-exempt status.

The exemption application is filed on Internal Revenue Form 1024, "Application for Recognition of Exemption." Instructions for filing this form and the necessary supporting documents are included in IRS package 1024.

In order to file form 1024, the chapter must have an Employer Identification Number. If the chapter does not have an EIN, you must also file form 58-4, "Application for Employer Identification Number" along with your application for exemption. Here is the link to [apply for an EIN](#). Even if your chapter does not have any employees, your chapter must have an EIN because this is the number that the IRS uses in maintaining the chapter's tax records.

**Please send a copy to the association's office of your chapter's application for exemption and once received a copy of the chapter's Tax Exemption Letter from the IRS for inclusion in the chapter's permanent file.**

### **Filing a Tax Return**

If your chapter has taken in more than \$25,000 in receipts during its fiscal year, then the chapter must file a tax return with the IRS, regardless of whether or not the chapter achieved tax exempt status. If your chapter has received tax exempt status, you must file an annual information tax return, Form 990, "Return of Organization Exempt from Income Tax."

This form is due before the 15<sup>th</sup> day of the fifth month following the close of your chapter's fiscal year. If the chapter's income is less than \$100,000 then the chapter may file Form 990EZ. If the income is less than \$25,000 no filing is required.

*You may obtain the necessary IRS forms by contacting the IRS directly at 1-800-TAX-FORM or by visiting the IRS website at [www.irs.gov](http://www.irs.gov). The IRS will also make available upon request Publication 557, "Tax Exempt Status for Your Organization."*

### **Establishing a Checking Account**

The chapter should have a checking and/or savings account. The treasurer will typically handle the set-up of such account. The chapter should discuss and determine the bank to be used, which officers are authorized to make withdrawals or sign checks, and how many signatures are required. Many banks will ask for a social security number when opening an account. Do not give them your number. If the chapter is a 501(c)(6) organization and a letter to this effect is on file, use the chapter's tax-exempt number to open the account. If the chapter has not been recognized as a 501(c)(6) organization, follow the instructions above for obtaining your chapter's IRS tax exempt number and use this number for all chapter accounts.

### **Chapter Rebates**

Chapters receive a rebate from the association that is 20 percent of the dues collected for chapter members during the previous quarter. Rebates are paid on all classes of membership. The Chapter Treasurer will receive a rebate check 4-6 weeks following the close of that quarter.

### **Things to Consider**

When officer elections are held, it is important that the new and old treasurer meet and discuss the chapter's financial situation. The old treasurer should hand over all past records to the new treasurer. It is also important that the association offices be notified of the change in officers so as not to interrupt the flow of chapter rebates.

In some states, a chapter must obtain a right to do business in the state. To find out if this is necessary, contact your Secretary of State or Attorney General.

Your chapter may determine that it is beneficial to file for incorporation within your state. Any move in that direction should be reviewed by the association's national offices to ensure that there is no legal conflict.

Many chapters will find it beneficial to establish a petty cash fund that is used to make change and collect receipts at local programs. Since the cost of most educational meetings is a deductible business expense, the chapter should provide attendees with suitable receipts or documentation.

**\*No part of this Guide should be considered as financial advice.**