



**TORCH CLUBS INTERNATIONAL, INC.**

## REGIONAL LEADER'S GUIDE

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## INTRODUCTION

Dear Regional Leader,

Thank you for accepting the challenge to further the growth and enrichment of IATC and its local clubs.

This manual is a how-to guide for assisting and supporting the clubs in your region. The IATC staff is always available to answer your questions and provide information and materials to help you help your clubs.

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## WHAT IS A REGIONAL LEADER?

*Regional Leaders use their knowledge of the organization and their professional skills to support and strengthen clubs, foster Torch's mission and enhance its public image.*

*Regional Leaders serve as trainers and facilitators for individual clubs in their region and at regional meetings.*

## RESPONSIBILITIES OF A REGIONAL LEADER

### To IATC:

1. Act as the liaison between IATC and the Torch clubs in your region, bringing them information and support from IATC and keeping IATC informed of any issues, problems or needs concerning your clubs.
  
2. Serve as a voting member of the IATC board of directors (see the bylaws at the end of this guide). You will:
  - a) determine its mission and purpose
  - b) help select consultants and evaluate their performance
  - c) provide proper financial oversight
  - d) ensure adequate operational resources through the budget process
  - e) serve on committees as necessary
  - f) represent IATC to the public
  - g) determine, monitor and strengthen programs and services
  - h) participate in regular board meetings via conference call
  - i) attend the winter board meeting and annual conference
  - j) act in a legal and ethical manner at all times
  - k) be accountable for decisions and actions of the board

To Your Clubs:

1. Meet with your clubs' officers and attend their monthly meetings regularly.
2. Organize and chair regional meetings of your clubs, preferably annually.
3. Maintain constant communication with your clubs.
4. Help with IATC requirements for submission of member data, meeting reports, etc.
5. Advise on membership recruitment, programming, budgeting and finance and other operational matters.
6. Work with clubs to send delegates to the annual convention.
7. Help establish new clubs in your region.

Expense Reimbursement

IATC reimburses Regional Leaders for attending winter meetings and conventions and provides a stipend for expenses incurred serving your clubs. Consideration for additional reimbursement will be given to Regional Leaders who have extraordinary travel expenses.

**RESPONSIBILITIES OF LOCAL TORCH CLUBS TO IATC**

Local clubs must fulfill certain responsibilities to maintain their status within IATC:

1. Adopt a constitution and bylaws consistent with those of IATC.
2. Maintain a minimum number of members as prescribed by the IATC bylaws to maintain its chartered status.
3. Process applications for membership according to IATC's and the club's bylaws, including remitting the appropriate materials, initiation fee and dues.
4. Keep the IATC member database for their club up to date by adding or deleting members promptly and amending member information as necessary.
5. Submit reports of monthly meetings through the IATC database.
6. Comply with all applicable state and federal laws and regulations.

## **Applying to the IRS for an EIN and Tax-exempt Status**

Local clubs do not come under the non-profit status of IATC. Each club must be formed as a corporation according to the laws and regulations of the state where it is located and obtain an Employer Identification Number (EIN) from the Internal Revenue Service.

### Employer Identification Number

Clubs must have an Employer Identification Number (EIN) issued by the Internal Revenue Service to be considered a corporation, apply for tax-exempt status and conduct certain business transactions even if a club has no employees. For example, banks require an EIN to open an account in the name of the club. (A club should never open a bank account in the name of an individual member.)

A club must be formed legally before it can apply for an EIN. Once a club submits an application for an EIN, it is required to file an annual form 990 with the IRS (see *Filing Form 990* below). Failure to file this form for three consecutive years will result in automatic revocation of tax-exempt status.

### Tax-exempt Status

A local club will be exempt from having to file income tax if it has been granted tax-exempt status by the IRS. Torch clubs fall under section 501(c)(7) and are considered social clubs.

#### To be exempt, a social club must meet the following requirements:

- The club must be organized for exempt purposes.
- Substantially all of its activities must further exempt purposes.
- If the club exceeds safe harbor guidelines for nonmember and investment income, the facts and circumstances must show that it is organized substantially for exempt purposes.

- The club has *de minimis* income from nontraditional sources (i.e., from investments or from activities that, if conducted with members, would further the club's tax-exempt purposes).
- The club must provide an opportunity for personal contact among members and membership must be limited.
- The club must be supported by membership fees, dues, and assessments.
- The organization's net earnings may not inure to the benefit of any person having a personal and private interest in its activities.
- The club's governing instrument may not contain a provision that provides for discrimination against any person on the basis of race, color, or religion.
- The club may not hold itself out as providing goods and services to the general public.

More information is on the IRS website at <https://www.irs.gov/charities-non-profits/other-non-profits/social-clubs>.

#### Filing Form 990

Small tax-exempt organizations with average annual receipts of \$50,000 or less may file an electronic notice called a Form 990-N (e-Postcard), which asks organizations for a few basic pieces of information. Tax-exempt organizations with average annual receipts above \$50,000 must file a Form 990 or 990-EZ depending on their receipts and assets. (See "Required Filings" at the bottom of the web page for <https://www.irs.gov/charities-non-profits/other-non-profits/social-clubs>.)

It is recommended that local clubs consult a tax attorney with questions or for assistance.

## IATC OPERATIONAL MANAGEMENT

The IATC board of directors engages two consultants to provide day-to-day operational support to the board, Regional Leaders and clubs. These consultants serve as the Executive Secretary and Database, Website and IT Administrator.

### **Executive Secretary's Responsibilities**

- **Financial:** Collect and disburse funds, audit all accounts, prepare financial statements, send annual dues invoices to clubs.
- **Compliance:** Ensure compliance with federal and state laws and regulations.
- **Data Collection:** Work with Regional Leaders and clubs to ensure submission of member data and meeting reports; assist clubs with member transfers to other clubs; collect, track and disseminate statistics relating to membership growth and decline, monthly reports from clubs and minutes of board meetings and conventions.
- **Publications:** Work with the editor of the Torch magazine and Regional Leaders to encourage member submissions of papers for publication.
- **Membership Development:** Prepare and send materials for membership recruitment to Regional Leaders and clubs, including personalizing membership materials for clubs; help Regional Leaders establish new clubs.
- **Club Support:** Work with Regional Leaders and clubs to resolve issues and problems; encourage annual nominations for outstanding club in each region and for Silver, Gold and President's awards and Certificates of Appreciation; advise clubs on applying for an Employer Identification Number (EIN), establishing IRS non-profit status and submitting 990 forms to the IRS.
- **Information:** Respond to general requests for information about Torch.
- **Events:** Organize and coordinate board meeting conference calls, the winter board meeting and the annual convention; assist Regional Leaders and clubs with organizing regional meetings.



**Database, Website and IT Administrator's Responsibilities**

- Maintain and update the IATC website and Facebook page.
- Maintain and update the IATC data management system.
- Assist Regional Leaders and clubs with creating and maintaining a website and Facebook page.
- Help resolve problems and issues with Regional Leaders' and clubs' use of the data management system.
- Suggest ways clubs can use social media to increase interest and membership.

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