

3) Chapter Finances/Insurance/Legal Matters

CHAPTER DUES

While it is essential for local Chapters to be self-sustaining, it is also important to bear in mind that one of the primary goals of the Enterprise Forum is to provide ways for alumni/ae and non alumni to connect with each other. Recognizing that only a minority of alumni/ae (usually less than 25%) will actually become dues-paying members, access to the Chapter and information about Chapter activities should not be limited to them.

When developing a policy for annual membership dues, factors to consider include the costs of:

- printing and posting communications pieces;
- complimentary dinners and tokens of appreciation for guest speakers;
- occasional underwriting of partial or entire event costs;
- audio/visual equipment rental; and
- local Chapter programs for student scholarships or financial aid.

Membership dues should be:

- solicited of all members annually at the beginning of the fiscal year;
- ideally membership privileges should coincide with the fiscal year and be July 1 through June 30 of the succeeding year.

In addition, higher categories, such as “Supporting” and/or “Sustaining” may be added to allow people to make larger gifts.

Suggested Types of Membership Offered

Complimentary - Free membership in the Chapter, usually offered to recent grads and students.

Discounted membership - Many chapters charge just \$15 and some deduct 50% from the regular membership.

Regular - Most popular type of membership offered. The price of this type of membership ranges from \$10 to no higher than \$50. Most Chapters average \$25 to \$35, which provides help for the Chapter at a price most people will pay.

Supporting - Membership which contributes to overhead costs of Chapters above and beyond dues. Usually \$75.

Sustaining - Same as above, but at a higher level of support. Usually \$100-\$250.

Note: Supporting or sustaining members should at least be given a special letter of thanks.

CHAPTER FINANCES

There are other potential sources of income to Chapters than dues. The most common are:

- Profits from events in attendance revenue;
- Event sponsorship;
- Income from Chapter funds kept in savings accounts or money market funds.

The stewardship of a Chapter's finances is an important matter that requires a reporting mechanism to both the Chapter's Board as well as to the Association. The Board should receive a written report from the Treasurer at each Board meeting. The Association (Enterprise Forum Global Office), however, needs to have an annual report. Separately incorporated 501 (c) (3) Chapters are responsible for filing the proper State, Federal, and IRS forms, and for providing the Association with a copy. Chapters that are part of the group return are responsible for providing the Association with the original copy by the requested date.

Chapters that accumulate large reserves are encouraged to explore ways in which resources could be used while at the same time not putting the treasury into a precarious position. Some possibilities include:

- A Chapter scholarship program for students from the Chapter area attending MIT;
- A visit from a member of the MIT faculty;
- A reception to welcome new members to the Chapter;
- A reception to welcome new sponsors.

TAX EXEMPT STATUS

All Chapters are required to be part of the MIT Enterprise Forum Tax Exempt Group (see Chapter Organization and Structure) or to obtain and maintain their own tax-exempt status. Chapters which are not part of the MIT Enterprise Forum Tax Exempt Group must contact and obtain the approval of the Enterprise Forum Staff, which may set conditions for reporting etc.

TAX RETURNS AND CORPORATE FILINGS

MIT Enterprise Forum Global makes all federal tax and Massachusetts corporate filings on behalf of those Chapters which are part of the MIT Enterprise Forum Tax Group as described above. Local Chapters are responsible for all local filings but can seek assistance with this from MIT Enterprise Forum Global.

Each Chapter which is separately incorporated and not a part of the MIT Enterprise Forum Tax Group as described above must file on its own all applicable federal and state tax returns and must make all required corporate filings in the state of incorporation and other jurisdictions where filings are required. Each such Chapter must also insure compliance with IRS private foundation rules. Copies of all tax returns and corporate filings must be furnished to MIT Enterprise Forum Global each year.

INSURANCE COVERAGE

The MIT Enterprise Forum Global Office provides MIT Chapters in the United States with insurance protection; this is true for both the ones that are separately incorporated as well as for those that are not. The insurance provides coverage in the event that a mishap at an officially advertised chapter-sponsored event gives rise to a claim.

To take the fullest advantage of this service, the following guidelines should be observed:

- Do not allow volunteers to serve alcoholic beverages at an event; this should be done by an establishment that has a liquor license and carries host liquor liability coverage (restaurant, hotels, professional caterers);
- Be aware that if your chapter hosts an event in someone's home or private property, the property owner's insurance will be the primary object of any possible claim and MIT's coverage will be excess only.

BANK ACCOUNTS FOR CHAPTERS OUTLINE FOR TREASURERS

The Board of Directors of the Chapter must approve the opening of all Chapter bank accounts and must designate authorized signers on the account.

Both the Chapter and the Enterprise Forum Global Office must exercise due diligence and establish one of the Association staff members (generally EVP and CEO of the Alumni Association) as an authorized signer on the account. This is in case the primary user becomes unavailable.

These are the steps to follow to establish a bank account:

- 1) Obtain all the application paperwork from the bank chosen, including signature cards and complete it as thoroughly as possible:
 - The Account Title should be in the name of the chapter -e.g. "MIT Enterprise Forum of XXX, Inc."
 - Entity Type is Non-Profit Corporation 501(c)(3).
- 2) Have the paperwork signed by the Chapter-based members of the Chapter Board of Directors and by the proposed Chapter-based Authorized Signers.
- 3) Forward the signed paperwork to the Enterprise Forum Global Office - include the names, addresses and contact information for the bank and for all persons which the Chapter wants to designate as Authorized Signers. Enterprise Forum Global will have the paperwork reviewed and will prepare the official Board of Directors votes for execution by the Cambridge-based authorized signers and Directors. Enterprise Forum Global will send the completed signed paperwork to the Chapter.

4) The Chapter officer should take the paperwork to the bank and open the account. The account number and copies of any additional paperwork should be forwarded back to Enterprise Forum Global.

If there is an instance when more documentation was required, please contact the Enterprise Forum staff.

ADVICE ON BULK MAIL PERMITS FOR CHAPTERS

MIT's legal counsel has issued wording for the Association to use in correspondence to your local post office if your Chapter should encounter difficulties. The wording states that your Chapter is a subsidiary of the Enterprise Forum, Inc, and as such is authorized to perform mailings for its events under our auspices.

If you are experiencing difficulties, contact the Enterprise Forum staff who may obtain the appropriate documentation:

a signed letter sent from the Alumni Association Executive Vice President and CEO stating that the chapter is a subsidiary of the Enterprise Forum, Inc.

- a signed letter sent from the Alumni association Executive Vice President and CEO stating that the Chapter is a subsidiary of the Enterprise Forum, Inc.;
- copy of the Enterprise Forum's tax-exemption letter from the Internal Revenue Service showing that we are in fact a 501 (c) (3) organization and that the Chapter is covered by the Group Tax Exempt Determination Letter;
- copy of the Enterprise Forum, Inc. Articles of Organization;
- copy of the Enterprise Forum, Inc. Corporate Bylaws;
- and a copy of the United States Postal Service PS Form 3628, Oct. 1996.

These documents will be forwarded back to the Chapter volunteer to file with the local postmaster.

The postmaster will complete the PS Form 3628 with local permit information, then file the documents with the USPS Non Profit Center, PO Box 3623, Memphis TN 38173-0623. The USPS Non-Profit Center will contact the local postmaster and confirmation mailing permit information in 10 business days.