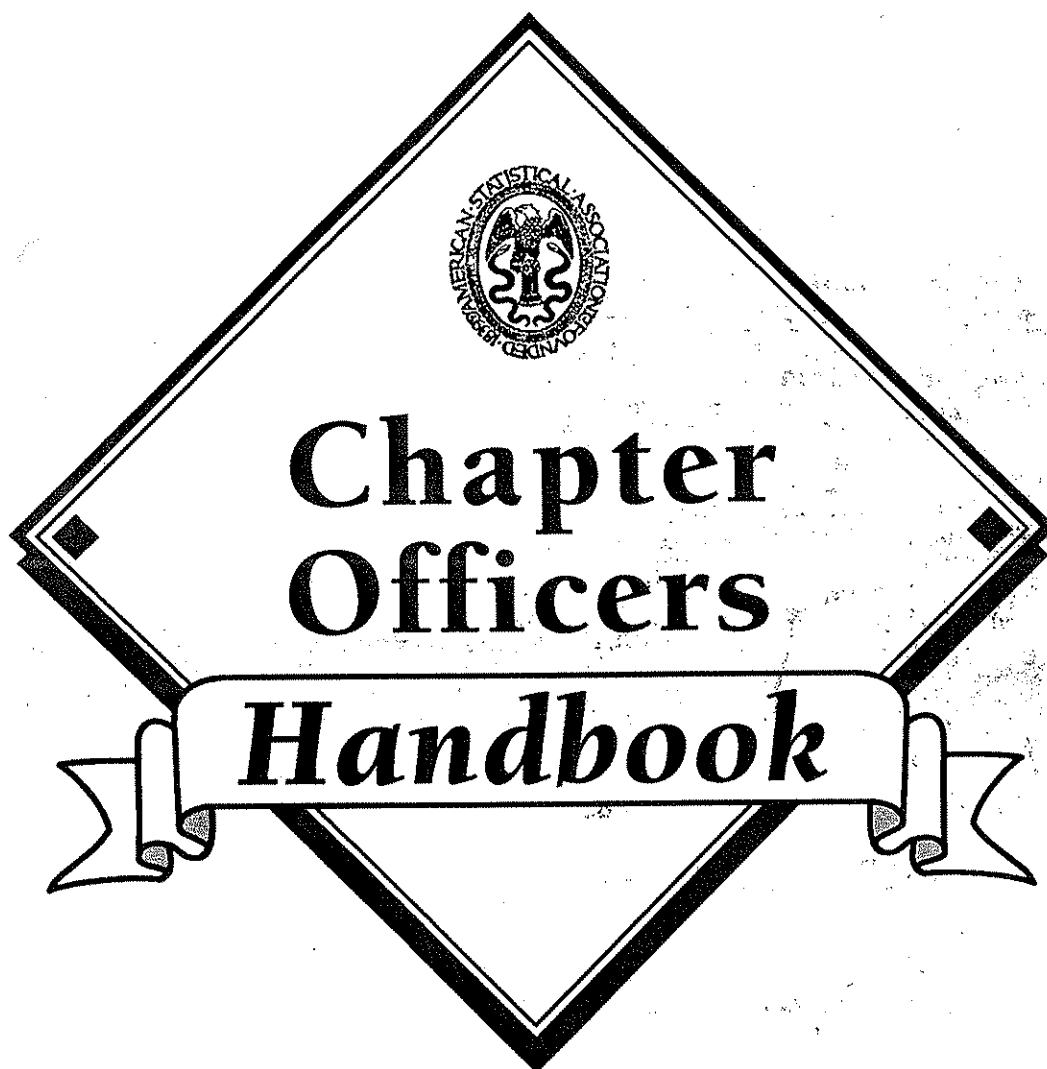


American Statistical Association Council of Chapters



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FOREWORD

The *Chapter Officers Handbook* is an effort by the ASA Council of Chapters to support and assist Chapter development at the local level. Both the ASA Board of Directors and the Council of Chapters feel that strengthening Chapters is a most important activity and hope that this Handbook can be of service to Chapter Officers in organizing and preparing their programs.

The Handbook is divided into six sections plus Appendices. It includes discussions on Chapter organization and finances, membership recruitment and retention, Chapter committee functions, suggested Chapter program activities, the role of the Council of Chapters, and the services provided by the ASA headquarters office. It is hoped that by addressing these areas, this Handbook will provide you with helpful ideas and suggestions, useful direction, and needed support.

Sizes of Chapters in ASA range from small (5-20 members) to very large (300+ members). Makeup of Chapter membership also varies greatly. Some Chapters consist of a majority of members who are employed by local or state government organizations whereas the members of other Chapters are mainly employed by universities or colleges. Given this diversity, you should view practices suggested in this manual as guidelines for the management of your Chapter. Some of the ideas may be more beneficial to you than others. Use them to your best advantage.

This version of the Handbook has been set up in notebook format for easier and less expensive updating in the future. Numbering is done separately within each section to minimize the number of pages which will need to be changed with each update. The format may aid you in keeping your relevant notes in the same notebook as the Handbook itself.

If you notice any topics or items that we have failed to include or thoroughly discuss, please let us know about them. We would like to revise the Handbook on a regular basis to continue to respond to your needs. Similarly, if you find the Handbook useful, write to us about it. We would appreciate receiving your comments.

Vicki S. Hertzberg
Chair, Council of Chapters, 1991

ACKNOWLEDGMENTS

The idea for the original *Chapter Officers Handbook* originated in 1984 at a business meeting of the Executive Committee of the ASA Council of Chapters. A committee to complete this task was appointed by Council Chair Joseph N. Skwish in the spring of that year and work began in the fall. The committee chair was Carl M. Metzler, the 1983 Council Chair. The Handbook was completed in 1985 through the continued efforts of Carl; the 1985 Council Chair, Robert L. Mason; and the ASA Associate Executive Director, Randall K. Spoeri.

The original Handbook served the Council well and was distributed to all new officers of Chapters through 1990. A number of changes in the American Statistical Association occurred in 1989-90 and it was decided to rewrite the Handbook instead of reprinting the original version. Special thanks go to 1990 Council Chair, Rich Allen, and Mary Ann Lenehan of his staff for coordinating this first revision.

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SECTION 1

CHAPTER PURPOSE AND ORGANIZATION

Chapters are the grass roots of the American Statistical Association (ASA). It is in the Chapters, many of which represent a geographical area with a radius of less than 75 miles, that members of the statistical profession come together to identify common interests and achieve common goals. A Chapter is the local organization of the Association.

1.1 CHAPTER OBJECTIVES

The broad objectives of a Chapter, like those of the Association itself, are to promote statistics and its applications and to increase the contributions of statistics to human welfare. More specifically, the objectives of a Chapter are to increase the unity and effectiveness of all those in its area who are interested in or concerned with statistical problems. To this end the Chapter may engage in many of the activities that the Association engages in worldwide. These include holding meetings, producing publications, participating in educational efforts both for its members and for various public groups, providing information concerning the application of statistics, and, in general, making statistics of service to society and society aware of statistics as a science.

1.2 ADVANTAGES OF CHAPTERS

Chapters offer advantages both to the Association and to individuals. The major advantage Chapters provide to ASA is the focus they provide for ASA headquarters to communicate with and provide services for members. The services provided and the channels of communication are discussed in detail in Section 6 of this Handbook.

Advantages to the individual are intellectual, professional, and social. A Chapter allows statisticians in a local area to discuss their common concerns and needs and to present them to the headquarters office directly and through the Council of Chapters. A local Chapter, through the united efforts of its members, can carry out many activities in support of statistics that individuals or small groups would find very difficult or impractical to attempt.

1.3 BECOMING A CHAPTER

There are specific guidelines for the establishment of new Chapters of the Association outlined in the ASA Constitution and

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the Charter of the Council of Chapters. A copy of the guidelines is in Appendix A.

Each new Chapter must have a constitution that is consistent with the Constitution and Bylaws of ASA (see Appendix B). Each Chapter's constitution shall provide for:

1. Regular and special meetings
2. Officers' duties and election
3. Membership qualifications, duties, and dues
4. Committees
5. Procedures for amending the constitution

A sample Chapter constitution is shown in Appendix D. It is not necessary to use this exact form.

1.4 CHAPTER OFFICERS

A Chapter should have a minimum of three officers, although many Chapters, particularly the larger or more active ones, have more. Although the titles need not be exactly these, it is expected that a Chapter will have a President or Chair, a Secretary, and a representative to the Council of Chapters known as the Chapter Representative. Other officers may include a Vice President or Vice Chair and a Treasurer.

1.4.1 Roles and Duties

The President presides at all meetings of the Chapter, appoints such committees as designated in the Chapter constitution, is chief spokesperson for the Chapter, and sees that the Chapter has an active program of meetings and projects during his or her term of office.

The Vice President presides at Chapter meetings in the absence of the President, succeeds to the office of the President in the event the President cannot serve the full term, and assists the President as requested. In many Chapters the Vice President is chair of the Program Committee; in some the Vice President is President-Elect.

The Secretary generally keeps minutes of the Chapter meetings, is responsible for sending notices of meetings and other Chapter mailings, and is the keeper of the Chapter's past records and documents. The Secretary and the President, along with the Chapter Representative, are the chief correspondents with ASA headquarters.

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The Treasurer maintains the Chapter's finances. This work includes receiving dues from headquarters (if arrangements have been made with ASA to collect them) and from individual Chapter members, maintaining bank accounts as needed, paying bills as authorized by the Chapter constitution, and making financial reports to the Chapter annually or as requested. Many Chapters combine the offices of Secretary and Treasurer.

The Chapter Representative is the communication link between the Chapter and the ASA Council of Chapters. The Chapter Representative disseminates to the local members communications from the Council and presents to the Council the needs and concerns of the local Chapter. The Chapter Representative is designated as a member of the ASA Council of Chapters and is the Chapter member who votes in elections for the Council of Chapters Chair-Elect and for the Vice-Chair of the Chapter's District. That person is also eligible for election as a District Vice-Chair.

1.4.2 Requirements and Terms

The President, Secretary, and Chapter Representative must be full members of ASA. The Chapter Representative must serve a three-year term, as specified in the Charter of the Council of Chapters (see Appendix C). The terms of the other officers are set by the Chapter. Many Chapters have found that having a President-Elect who succeeds to the office of President and electing the Secretary-Treasurer to a multiple year term provides for continuity of officers and strengthens the Chapter and its programs.

1.4.3 Election Process

The Chapter constitution specifies the terms of office and the election procedures for the Chapter officers. To be in unison with ASA and the Council of Chapters, it is recommended that the terms of office coincide with the calendar year and that elections be held in late spring or summer. However, some Chapters may find terms of office (except for Chapter Representative) that coincide with an academic year more useful. See Section 3.5 for suggestions that the Nominating Committee may wish to follow in conducting these elections.

1.5 CHAPTER ACTIVITY STATUS

The ASA Board of Directors has established specific requirements that Chapters must meet to be declared in good

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standing with the Association. (See Appendix E). Briefly, the conditions are as follows:

- Hold at least one Chapter meeting per calendar year.
- Report names and addresses of Chapter Officers to ASA headquarters on an annual basis.
- Ensure that key Chapter Officers (President, Secretary, and Chapter Representative) are full ASA members.
- Complete an annual survey of Chapter activities, as requested by the Council of Chapters.

Failure to fulfill these requirements over a period of years can result in a Chapter having its charter revoked by the Association. The procedures for review and classification of Chapters are shown in Appendix E.

1.6 TAX EXEMPT STATUS

During 1989 and 1990, the ASA coordinated a major effort to clarify and validate the Federal Income Tax exemption status of its Chapters. All Chapters were contacted and most were included in one group exemption letter to the Internal Revenue Service. Other Chapters were added later.

Because Chapters have their own governing bodies (officers), they are considered separate and distinct from ASA for 501(c)(3) purposes, although they are still very much a part of ASA. It was therefore necessary that the Chapters obtain their own tax exempt status. This is not true for Sections and committees of ASA whose governing body is the ASA Board of Directors. Under the group exemption, Chapters of ASA are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Chapters have been classified as organizations that are not private foundations under Section 509(a)(2) of the IRS Code.

Donors may deduct contributions to the Chapters as provided in Section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to Chapters for their use are deductible for Federal estate and gift tax purposes if they met applicable Code provisions. However, payment of dues and subscriptions are not deductible as charitable donations.

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Please note that 501(c)(3) status simply grants exemption from Federal income tax. It does not automatically exempt a Chapter from either State income tax or collection or payment of State sales and use tax. This is decided on a State-by-State basis and you must contact the State in which your Chapter does business.

A communication was sent to each Chapter describing the Chapter's specific information and tax filing requirements under the group exemption ruling. If that communication cannot be found or for new Chapters, check with the Director of Chapter and Section Relations of ASA. A separate appendix on treasurer procedures and tax exempt regulations will be added to this Handbook at a later date.

Federal Form SS-4, Application for Employer Identification Number, was also submitted at the same time for most Chapters. An employer identification number has been assigned to each Chapter and a Federal Form 8501, Notice of New Employer Identification Number Assigned, was mailed from IRS to each Chapter.

1.7 GENERAL INFORMATION FOR CHAPTER TREASURERS

The main function of the financial officer of any organization is to track and safeguard the assets of the entity with which he/she is affiliated.

1.7.1 Basic Duties and Responsibilities

Below is a basic list of duties and responsibilities for all Chapter Treasurers:

- **Maintain the financial records of the Chapter**

It is the responsibility of the Chapter Treasurer to maintain accurate and timely financial records for the Chapter, despite the size of the Chapter, on a fiscal year basis.

All ASA Chapters participating in the ASA Chapter Group Exemption are encouraged to use the calendar year (January through December) as their fiscal year, although this is not a requirement as we had originally believed. It can be any 12-month reporting period.

The Chapter Treasurer has the responsibility to develop and follow a system of financial management that adheres to generally

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accepted accounting principles (GAAP). Additionally, each Chapter must follow the accrual method of accounting, not the cash method.

The accrual method of accounting records income at the time all events have occurred to fix the right to receive the income. Expenses are recorded at the time of liability, not when the expense is actually paid. Basically the accrual method is a system of matching income and related expenses.

There are many small accounting packages which will track this information quite easily for the Treasurer on the accrual basis.

- **Maintain a separate Chapter checking account**

It is very important that Chapters have an independent checking account for all Chapter funds. These funds cannot be co-mingled with those of any other organization or person.

The checking account must be in the name of the Chapter and use the Chapter's Federal Identification Number (FIN). Each Chapter is a separate entity from the others, as well as from the ASA, and may not use any individual's, other Chapter's, or organization's FIN. If you do not know your Chapter FIN, please contact the ASA office for the information. The ASA office will assist new Chapters in obtaining FINs as needed.

Ideally, all Chapter checking accounts should require two signatures on checks, however, this is not always feasible. If a Chapter is unable to utilize two signatures, for whatever reason, another officer should always review and authorize payment of bills.

Some Chapters, due to the limited funds on hand, maintain just a savings account to avoid the monthly bank fees. This is also acceptable, but the Chapter should still follow the guidelines on signatures, account name, and FIN.

- **File all required tax returns**

The Chapter Treasurer is responsible for filing all financial paperwork for the Chapter. This includes, but is not limited to, Federal income tax returns (990 and 990T), state income tax returns (if required by the state), state sales and use tax returns (if the state has a sales and use tax and the Chapter is registered with the state), personal property tax return (if applicable), and business licenses.

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A Chapter whose average annual gross revenue (average of the two immediate past fiscal years, plus the current fiscal year) is more than \$25,000 is required to file Federal Form 990, Return of Organization Exempt from Income Tax, by the fifteenth of the fifth month following the Chapter's fiscal year end. (Translation: A December fiscal year end means a May 15 tax filing date.)

If a Chapter receives a Form 990 package in the mail, it should file the return, even if the Chapter's revenue does not meet the average annual gross revenue of \$25,000. Simply attach the label provided, check the box in the heading to indicate that the annual average gross revenue is less than \$25,000, sign the return and mail it, certified, to the IRS. Care should be taken to assure that a copy of the return is retained in your Chapter's permanent files. This will allow the IRS records to show that the Chapter is not required to file a 990 in future years and permit the removal of the Chapter's name from the IRS mailing list. **DO NOT IGNORE THIS PACKAGE; THE IRS WILL ASSESS THE CHAPTER A \$10 PER DAY PENALTY UNTIL IT IS FILED.**

Chapters with unrelated business taxable income in excess of \$1,000 are required to file Federal Form 990T, Exempt Organization Business Income Tax Return. About the only unrelated business income that a Chapter might have would be advertising income in a newsletter or publication.

Chapters are separate entities and may not use another Chapter's, organization's, or ASA's tax exemptions, registrations, or business licenses.

- **Ensure required disclosures on dues statements and solicitation letters**

In 1988, the IRS began requiring that all dues notices begin containing the following language:

Contributions or gifts to this organization are tax deductible as charitable contributions for Federal Income Tax purposes. However, payment of membership dues and subscriptions are not tax deductible as charitable contributions. They may be deductible under Section 162 of the Internal Revenue Service Code as ordinary and necessary business expenses.

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- **Forward financial information to the ASA office if included in the ASA Chapter Group Exemption**

As part of the Group Exemption, ASA is required to report each year to IRS any changes affecting such exemption. To assist ASA in this filing, by the 15th of May of each year, participating Chapters should provide the ASA office with a Balance Sheet and an Income/Expense Statement (or a Cash Position Statement) for the Chapter's most recent fiscal year. Samples of these forms, along with some general information about how to prepare them, are shown in Appendix K. Again, those Chapters whose average annual gross revenue (average of two immediate past fiscal years, plus the current fiscal year) is more than \$25,000 will need to file a Federal Form 990 directly with the IRS (with a copy to the ASA office).

- **Make available a copy of the Chapter's most recent 990 tax return (if one is filed for the Chapter)**

All tax-exempt organizations must make available for public inspection a copy of their three most recent 990 forms (if a Chapter is required to file one), beginning with the year 1987. All schedules to attachments filed with the Form 990 must be made available, except for the list of contributors to the organization. (IRS Notice 88-120)

- **Make available a copy of the organization's application for Federal income tax exemption**

All tax-exempt organizations must make available for public inspection a copy of the organization's application for Federal tax exemption, along with copies of any relevant documents sent to, or received from, the IRS. (IRS Notice 88-120)

Inspection must be permitted during regular business hours at the organization's principal office, as well as any regional offices having at least three paid full-time employees. The organization is under no obligation to distribute a copy of the materials to a requestor, but must either allow the requestor to take notes freely or permit him or her to make copies. The organization may require a written request in order to provide copies, or it may choose to mail the information in lieu of an inspection.

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The penalty for failing to comply with the above requirement is \$10 per day when such failure occurs, up to a maximum annual penalty of \$5,000.

1.7.2 Special Considerations

However, in order for a Chapter Treasurer to be able to carry out these duties and responsibilities, he or she must be aware of the special characteristics of 501(c)(3) organizations and how federal, state, and local laws relate to the operations and activities of ASA Chapters.

It should be emphasized that all ASA Chapters are separate entities from ASA itself, as well as from each other, although most Chapters have been granted 501(c)(3) status through an IRS Chapter Group Exemption under the parent organization of ASA.

It might appear that ASA is over-reacting to the potential problems by providing the following cautions and information, however, more and more nonprofits are being audited for noncompliance with Federal, state, and local laws. In the fall of 1989, ASA was audited for sales and use tax and, faced with a determination of noncompliance with Virginia's sales and use tax regulations, was billed for back sales and use taxes of over \$15,000. Additionally, in 1988 the IRS audited ASA and, because of poorly prepared tax returns, assessed ASA \$45,000 in back income taxes for net advertising income.

1.7.3 501(c)(3) Status

ASA and its Chapters enjoy a special status as a 501(c)(3) nonprofit charitable association. Not only are they exempt from paying Federal income tax on Related Business Income (RBI), but there is a distinct advantage to donors and contributors to ASA and its Chapters in that both individuals and corporations can deduct their contributions as charitable donations, as long as certain guidelines are followed. Additionally, with a 501(c)(3) status, ASA and its Chapters can receive Federal grant monies; most nonprofits cannot.

As a 501(c)(3), ASA and its Chapters must also adhere to certain restrictions on its activities. The most important restriction is that prohibiting 501(c)(3) organizations from engaging in any type of political lobbying (local, state, or Federal). Any political activity done by either headquarters or Chapters will result in the revocation of the 501(c)(3) status.

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The other restriction placed on all nonprofits is that their Unrelated Business Income (UBI) cannot exceed their RBI. UBI and RBI will be discussed in a later section.

1.7.4 Federal, State and Local Taxes and Laws

- **Income Taxes**

As a 501(c)(3), ASA is exempt from Federal income tax for RBI. However, nonprofits are not automatically exempt from state income tax. Once a Federal income tax exemption is received by a nonprofit, it must also apply for an income tax exemption in the state(s) in which it does business. ASA has applied for, and has received, an income tax exemption from the Commonwealth of Virginia. Most states do issue a state income tax exemption if the nonprofit also has received a Federal exemption.

It is up to each Chapter to apply for a state income tax exemption in the state in which the Chapter is domiciled. Additionally, should a Chapter begin conducting a material (large) amount of business in another state, it may be required to register in that state for exemption of state income tax as well.

- **State Sales and Use Tax**

Being exempt from Federal and state income tax does not automatically exempt the nonprofit from state sales and use tax. ASA is **NOT** exempt from state sales and use tax in Virginia. ASA has a Retail Sales and Use tax permit in Virginia, which exempts it from sales and use tax on items such as those purchased for resale and other qualifying events. ASA is also required to collect Virginia sales tax on items sold to nonexempt Virginia residents. (Dues, as well as publications published at least quarterly, are exempt.)

These same type rules apply for Chapters. Each Chapter must register in the state in which it conducts business for a sales and use tax permit. Again, should a Chapter begin conducting a material (large) amount of business in another state, it may be required to register in that state for sales and use tax permits. The Chapter would have to pay state sales tax on items purchased and collect sales tax from items sold to that state's residents.

Every year, prior to the Joint Statistical Meetings (JSM), ASA contacts the state in which the meeting is to be held in order to ensure conformance with state and local requirements, including

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registration of ASA, if necessary, and collection of state and local taxes.

ASA, and its Chapters, cannot use another nonprofit's exemption from sales and use tax when work is done in another state. ASA has been asked if a university or college may have items charged to a university account which is normally exempt from state sales and use tax as an educational institution, and then reimbursed by ASA. The answer is that, yes, ASA will reimburse the university or college, but the local taxes must still be paid on appropriate items.

- **Personal Property and Real Estate Tax**

Being exempt from Federal and state income tax also does not automatically exempt the nonprofit from state/local personal property and/or real estate taxes. Again, ASA is **NOT** exempt from these taxes in Virginia.

Personal property tax is paid on items such as furniture and equipment, as well as inventory items such as publications and supplies.

It is up to each Chapter to apply for a personal property tax exemption in the state in which the Chapter is domiciled. Additionally, should a Chapter begin conducting a material (large) amount of business in another state, it may be required to register in that state as well.

- **Payroll Taxes**

As a business with employees, ASA must also register with the Federal, state, and local governments to properly pay the appropriate payroll taxes, such as FICA and state unemployment, as well as to withhold the appropriate federal, state, and local income taxes for employees. If not handled properly, the Chapter could be liable for unpaid employee taxes.

Additionally, ASA must, at the end of each year, report to Federal, state, and local governments other earnings by individuals such as honorariums, contract services, etc.

ASA is registered for payroll taxes, and related items, in the states of Virginia and Maryland, as well as in the District of Columbia. All employee, independent contractor, honoraria, etc.,

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disbursements must be handled by the ASA office to ensure that reporting requirements are met.

• **Business Licenses**

Although a nonprofit, ASA, as a corporation and legal entity, must register to do business in the state and local jurisdictions in which it is located. ASA is registered with both the Commonwealth of Virginia and the City of Alexandria.

Should ASA, or its Sections, begin conducting a material (large) amount of business in another state, ASA may be required to register in that state for a business license.

It is up to each Chapter to apply for a business license in the state in which the Chapter is domiciled. Additionally, should a Chapter begin conducting a material (large) amount of business in another state, it may be required to register in that state as well.

Again, prior to each JSM, ASA contacts the appropriate state to determine whether there is a need to register to do business in that state during the period of time in which the JSM is held.

1.7.5 Insurance

ASA annually purchases a number of insurance policies to protect it and guard against claims and liabilities. Included in these policies are: personal property and building (General Liability and Umbrella coverage); employees (Workers Compensation); officers, directors, members, and volunteers (Professional Liability); and conferences.

At present, these policies do not include coverage for Chapters, and it might be wise for the Chapters to contact an insurance broker to determine its need for coverage.

1.7.6 Payments to ASA: Charitable Donations/Contributions versus Business Expenses

Under IRS regulations, payments to ASA and its Chapters may be classified as either business expenses or charitable contributions by the individuals or companies making them. This distinction is very important for the payee. Additionally, per IRS regulations for nonprofits, certain language giving the payee this information must be incorporated on a dues notice.

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Generally, payment of dues, publication subscriptions, meeting and conference fees, continuing education fees, advertising charges, etc., are considered to be business expenses. This means that individuals or companies may deduct them, as appropriate, on their tax returns as such.

As mentioned previously, ASA and its Chapters are 501(c)(3) organizations and can receive tax-deductible, charitable contributions from individuals and companies. In order for the contribution or donation to be classified as charitable, and therefore tax-deductible, however, the payee of the monies (or in-kind donation) must not receive material compensation for the donation or contribution.

For example, if a contributor gives ASA, or a Chapter, a donation for an event and receives a souvenir or gift back in return (e.g., a T-shirt), the value of the item should not exceed 1% of the value of the contribution or donation. If it exceeds that percentage, the individual/company can only declare the excess above the value of the item received in return as a charitable tax deduction. For example, if an individual gives ASA \$25, but receives a T-shirt worth \$10, the donor can only claim the excess above the item received in return, or \$15.

1.7.7 Legal Authority to Sign Contracts

Only elected and appointed officers of ASA Chapters are legally authorized to sign contracts which commit the Chapter to fiscal expenditures or other binding agreements, unless the authority has been delegated by one of those officials to another party (delegation must be in writing to be legal). Technically, this means that no Chapter member may authorize expenditures or commit the Chapter to a course of action without proper authorization or approval. This includes requests for grants, purchases of goods and services, hotels for meetings, etc.

1.7.8 Postal Permits and Rates

Again, ASA, as a nonprofit, enjoys certain privileges with respect to reduced postal rates for various types of mailings. Chapters may also apply for the special rates under their exemption, however, they cannot use ASA's.

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1.7.9 Related and Unrelated Business Income

As mentioned previously, an ASA Chapter's RBI must exceed its UBI in order to keep its nonprofit status.

Basically, anything that relates to the ASA Chapter's main purpose, that of promoting the concepts and use of statistics, falls into this category, as listed below:

- Dues
- Publication and Sales of (or Subscriptions to) Newsletters, Journals, Books
- Continuing Education Courses
- Meetings and Conferences (statistically-oriented)
- Grant Funding
- Contributions/Donations
- Interest Earned on Investments
- Sales of Souvenirs (specifically identified as ASA)
- Royalties
- Sales/Rental of tapes/videos (statistically-oriented)

Items that are **NOT** considered related business income and, therefore, subject to income tax on net income of the item are:

- Advertising
- Sale/Rental of Mailing Lists
- Management Fees (managing other associations, entities, conferences, etc.)

1.7.10 How State Sales & Use Tax Applies to ASA and Chapters

As discussed previously, ASA is not exempt from state sales and use tax, other than in the Virginia tax codes. Depending upon the state regulations, each Chapter's responsibilities will differ. However, if a Chapter is not exempt from sales and use tax application, the following information will be useful.

The words "sales" and "use" are very important: they really mean that the state gets you coming and going.

Basically, this means that all tangible items purchased, except those for resale, are "use" taxable. For example, some of the items that ASA pays "use" tax on are:

Letterhead, office supplies, equipment (even if leased), books, paper, membership application

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forms, brochures, Section newsletters (see note below), etc.

The "use" tax application is avoided if an item is purchased or produced by ASA for resale. Some such items are:

Souvenirs (T-shirts, mugs, etc.), Proceedings, Wiley or Dekker books for the discount book program, etc.

At this point, the state gets ASA on the "sales" portion of the tax. If an item is purchased or produced for resale, ASA does not pay the "use" tax. HOWEVER, ASA must then collect state "sales" tax from Virginia residents who purchase the items from ASA, unless the Virginia purchaser is exempt. In this circumstance, ASA must receive an exemption certificate from that purchaser. (Exempt purchasers are normally educational institutions such as schools and colleges.)

There is one loophole that exempts ASA from the sales and use tax on publications, however. If the publication is produced at least quarterly, there is no tax on the printing and publication costs, nor on the sale of the subscription to the current volume. Back issue sales, which are considered one-time events, are subject to the purchaser's paying ASA for the sales tax.

1.7.11 Fund-Raising Solicitations

Most states require a solicitation license to solicit funds/donations from the general public (translated: nonmembers) in that state. ASA does not currently have any solicitation licenses (not even in Virginia).

Therefore, at the present time, solicitation of funds should be limited strictly to members of the ASA and/or Chapters. If the company being solicited has employees who are members of the ASA Chapter, even if the company is not, of itself, a member, there is presumed to be a membership relationship with that company. In fund-raising, however, the initial point of contact should be the ASA Chapter member, which establishes the relationship.

In December 1991, the ASA Board of Directors approved the policy statement on fund-raising previously passed at the Council of Chapters' August 1991 Business Meeting, as follows:

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1. Fund-raising by Sections and Chapters to accomplish their goals is a worthwhile function that the Council of Chapters and the Council of Sections should encourage.
2. We must recognize, however, potentially serious problems if several Sections, Chapters, and/or the overall ASA organization are conducting fund-raising with the same organization at different times within a short period. These multiple appeals can result in problems with potential donors that ultimately will harm ASA, its Sections and Chapters.
3. To avoid such overlap, it is necessary that ASA headquarters coordinate fund-raising so all involved know that others in ASA are dealing with the same organization.
4. A Chapter or Section that intends to solicit monetary funds in excess of \$1000 per year from any organization should notify the central office of its plans.
5. For fund-raising, an organization is defined as a total organization, or part of an organization that has the authority to contribute funds to ASA.
6. If ASA and several Sections or Chapters wish to solicit funds for more than \$1000 from the same organization, all parties should jointly agree on an overall plan. It may be possible to make a simple combined appeal and such a possibility needs to be explored fully.
7. If joint appeals are not possible, some priority rule will need to be established:
 - a. Time--A Section, Chapter, or overall ASA that has received funds in the past from an organization, should have priority over a new application. No new application for funds should be conducted by a Section if it would harm an existing funding relationship.
 - b. Overall ASA fund-raising should have priority over Section and Chapter fund-raising. No new applications for funds should be conducted if it would harm an existing funding relationship between ASA and an organization.

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8. If there are any disagreements that cannot be resolved by discussions between the subparts of ASA, the ASA Board will be responsible for the final decision.
9. Grant Proposals--As mentioned previously, ASA, as a 501(c)(3), is eligible to receive grant funds, both Federal and private. However, due to the complexities of the administrative and reporting requirements, all grant proposals must be solicited and administered by the ASA office. If a Section wishes to request grant funding, such as for conference support, the Section must contact the ASA office to handle all aspects of the proposal and grant management.

Sections may not contact any Federal agency for funding without prior approval by the ASA Executive Director. Certain levels of grant funding must also be approved by the ASA Board of Directors, as is presently the case with ASA.

1.7.12 Grant Proposals

As mentioned previously, ASA Chapters, as 501(c)(3)s, are eligible to receive grant funds, both Federal and private. However, the administration of grants is extremely complex and should not be undertaken lightly.

1.7.13 Additional Information

If you have questions about any of the information contained above, contact the Director of Finance.



SECTION 2

MEMBERSHIP

Two of the most important activities of a Chapter are recruiting and retaining members. Continual membership growth is needed to keep a Chapter healthy. New members bring fresh ideas and experience to the organization, and old members insure vitality, continuity, consistency of purpose, organizational memory, and established leadership.

2.1 RECRUITMENT

Chapter development is a direct function of its continual efforts to attract new members. This is an essential activity that is best achieved through an active Membership Committee. While particular recruitment needs may vary according to local interests, key sources of new members usually include government (federal, state, and local) employees, private industry or business workers, faculty in academic institutions, and students.

One useful way of recruiting is to have Chapter members encourage their newly hired statistical personnel to join the local Chapter and, if possible, the Association. Individuals on the Membership Committee can give presentations at local universities and colleges to recruit new student members. Statisticians in local industry and business could be recruited to serve on the Membership Committee and help lead a membership campaign in their organization.

To be successful, a membership drive needs specific recruitment goals and objectives. It should also have a definitive time period (e.g., 1-2 months) in which the recruitment activity is most intense. The Membership Committee should meet prior to this drive to establish targets and deadlines and to develop appropriate strategies and plans of action. In recruiting, one must be prepared to answer the questions "What is in it for me?" or "What are the advantages of joining?"

Some techniques that have proven successful in recruiting new Chapter members are given below. They require varying amounts of time and money to complete.

- **Listings and Labels from ASA**

A Chapter can request a listing of names of present ASA members within the Chapter's desired service area. That listing can then be matched against the Chapter's present roster. This approach is particularly helpful if a Chapter is interested in expanding its programs or activities a bit wider than it has in the

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past. Instead of just a listing, a Chapter might also request a set of mailing labels to use in its recruiting efforts.

- **Chapter Newsletter**

Many Chapters use newsletters to keep current members informed of activities. These newsletters may be also mailed to potential members or circulated about specific targeted organizations to provide examples of the Chapter's activities.

- **Chapter Brochure**

Larger Chapters often use this technique. The brochure is published each year and contains a letter of invitation for participation, a list of the current Chapter officers, information about technical sessions and special meetings, and instructions for becoming a member. A sample brochure is given in Appendix F.

- **Technical Programs**

Chapters can use popular technical sessions (see Section 4) as a useful recruitment tool. Attendees can be asked to sign a roster giving their name and address and whether or not they are a Chapter member. Followup mailings can be sent to those individuals who indicate that they are not Chapter members.

- **Work Contacts**

Chapter members can serve as a liaison between their work site and the Chapter. In this capacity they can answer questions about the Chapter, recruit new members, solicit comments concerning future Chapter programs, contact interested individuals, obtain volunteers for Chapter projects, and so forth.

- **University/College Contacts**

Individuals teaching in local universities and colleges make excellent contact sources for new members. They can recruit students from their classrooms, post membership applications on bulletin boards, and invite interested individuals to Chapter seminars or sessions.

- **Formal Invitations**

Many Chapters, on learning about potential members from other sources, such as lists provided by ASA, mail an invitation to join.

Included in the package may be a schedule of Chapter activities, a note on the history of the Chapter, and a statement of the dues structure. This method often is very successful, particularly if additional promotion is done through telephone or personal contact with the potential members.

Social Functions

Chapters can sponsor social functions, such as a picnic or a wine-and-cheese party, and invite potential members as their guests. Long-term members might serve as hosts at these occasions. This is useful in providing an opportunity for potential members to meet current Chapter members.

2.2 DUES

Annual dues should be established for the Chapter that will insure the financial stability of the Chapter and serve as a commitment by the membership to the development of the Chapter. Free membership is discouraged, as this leaves most individuals with the impression that there are no expenses in Chapter operations. The opposite is true, since dues are needed to pay for postage, copying costs, speakers, membership campaigns, and so forth. For most Chapters the annual dues are very modest. An adequate treasury permits the Chapter to subsidize such events as judging of science fairs, student awards, and career days.

Some Chapters have memorial funds, established in memory of deceased members. These funds are often designated for a specific purpose, such as science fair awards, and are paid for by the interest accrued on the fund.

2.3 RETENTION

Retention of Chapter members is contingent on the ability of the Chapter to properly welcome new members, to keep current members involved in activities, and to continually follow up on lost members to determine their reasons for leaving the Chapter.

Newly recruited members should not be ignored once they have paid their dues. Instead, an orientation program should be conducted, which may involve such activities as having the President send a letter of welcome; encouraging them to participate in Chapter activities; having a current member offer to accompany them to their initial meeting; recognizing new members at their first-attended meeting and possibly in the Chapter newsletter; and

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offering them an opportunity to make a presentation at a future meeting. Whatever techniques are chosen, it is important that the new members feel that they truly belong to the Chapter and can contribute to its programs.

To retain members and keep them involved, Chapter officers must recognize the extent to which each member desires to participate and then ensure that this level of participation is achieved. Most Chapters have a variety of committees (e.g., see Section 3) that are in need of workers. By use of committee appointments, Chapter officers can often draw members into activities that match their individual interests. Members can also be used as part of Chapter programs, conferences, and symposia.

Members respond best to personal contact. Hence it might be useful to have each Chapter officer, or some selected committee of members, telephone members on a regular basis to solicit their ideas, comments, and suggestions about Chapter events. As with newly recruited members, current members must feel that they are important to the Chapter. Such a strong sense of belonging will insure long-term Chapter growth and stability. Often very senior members will respond if given a limited-time project, such as organizing a special meeting or working on a program that covers only two to four months.

An often overlooked group that should be of concern to Chapters are the "dropouts." These individuals are important, as they may provide ready information on why membership recruitment and retention efforts are not as successful as hoped. An effort should be made to personally contact them immediately after they leave the Chapter to determine why they chose not to renew their membership. Such contact by Chapter officers at this point serves many purposes and may even convince the individual to become active again in the Chapter. The information obtained in these interviews should be given to the Membership Committee for use in improving future recruitment efforts. It may also be worthwhile to submit information to the ASA office to aid their membership retention efforts.

2.4 ROSTERS

Membership rosters are very helpful in Chapter recruiting and retention efforts. Each Chapter is encouraged to keep a current list of the addresses and telephone numbers of its members, as well as a listing of their place of work, their Association membership status, and their desired Chapter interests. This roster should be

updated when the annual dues are collected. The ASA office can help make this task easier if they collect your Chapter's dues for you. The roster can serve many purposes, including aiding Chapter mailing efforts, determining organizations where large contingents of Chapter members work, facilitating the assignment of members to Chapter committees, and helping Chapter officers in planning interesting programs and activities. The ASA office also finds these rosters very useful for Chapters that do not use the ASA office to collect dues.

2.5 AFFILIATE MEMBERSHIP

A new membership option as of 1991 is the ASA affiliate membership. This membership is designed for individuals who wish to have some professional affiliation with ASA but who do not wish to pay for or receive all the benefits of a full membership. It is hoped that as new individuals learn more about ASA and its services, they might later decide on a full ASA membership.

An affiliate receives a subscription to Amstat News and a listing in the Directory of Statisticians. Affiliates pay nonmember rates for annual meeting and winter conference registrations or any ASA publications and would have to purchase the Directory. An affiliate cannot join an ASA Section, but must join an ASA Chapter in order to become an affiliate. If a Chapter does not have its dues collected by ASA, a Chapter officer must certify that the applicant is a current Chapter member.

The affiliate option should be kept in mind and utilized if possible in Chapter membership drives. It may be a good way to build additional interest at the local level.



SECTION 3

COMMITTEES

Each Chapter will find it beneficial to designate committees to assist the Chapter officers in the organizational and administrative aspects of running a vibrant Chapter. In their areas of concern, these committees will consider objectives, discuss options, make recommendations, and implement Chapter decisions when called on to do so. Service on committees also often identifies Chapter members who have special skills that may make those individuals good officer candidates.

3.1 PURPOSES AND TYPES

There are two basic types of committees: standing and ad hoc. Standing committees are formed for matters that demand constant attention and are of continuing vital concern to the Chapter. Ad hoc committees are formed for handling one-time special projects. Once the special project is complete, the committee is disbanded.

According to most Chapter constitutions, a Chapter will have the following standing committees:

- Executive Committee
- Membership Committee
- Program Committee

It is highly recommended that these committees be formed, as attention to these areas may well be the difference between an active, effective Chapter that addresses the needs of its members and a passive, mediocre Chapter. Other standing committees may be formed depending on Chapter needs. For example, a Publications Committee might be responsible for the Chapter newsletter and other publications.

Examples of ad hoc committees are the Nominating Committee and the Local Arrangements Committee for a national or regional meeting. Ad hoc committees might be used for revising Chapter constitutions and bylaws.

The number of Chapter members to be placed on each committee is determined by the Chapter. The appointments of committee chairs will normally be made by the President but some Chapters have designated officers serve as the chairs of Program or Nominations Committees. Committee members will be surely selected by either the President or the committee chair with the approval of the President. In most cases, a small committee of three to five

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members will find it easier to assemble and achieve agreement than a larger committee.

3.2 THE EXECUTIVE COMMITTEE

The Executive Committee is the administrative and policy-recommending body for the Chapter. Its membership consists of the Chapter officers and the chairs of the various standing committees. Ad hoc committee chairs may also be members or be asked to attend committee meetings to report on their recommendations.

It is the role of the Executive Committee to:

1. Set the Chapter goals for the coming year.
2. Provide broadly based direction on matters brought before it by the various committees, especially as regards membership growth and the annual program.
3. Establish Chapter policy for providing professional input into statistical problems in the local area.
4. Determine annually the fiscal soundness of the Chapter and take steps to provide the necessary funds for carrying out Chapter programs, either through the annual membership fee or other means.
5. Support national and regional ASA activities. For example, if the annual joint meetings or ASA winter conference are to be held in the Chapter area, the Executive Committee will take the lead to name the members of the Local Arrangements Committee.

Shortly after the election of Chapter officers and the naming of the chairs of the standing committees, the Executive Committee should meet to discuss Chapter plans for the coming year, to establish a strong working relationship within the committee, and to delegate responsibilities. The Executive Committee should meet as often as deemed necessary; quarterly is appropriate for some Chapters, but many meet more often. Meetings will usually be called by the President but might be requested by a majority of the committee members.

3.3 THE PROGRAM COMMITTEE

The planning and implementation of the annual Chapter program is so vital to a Chapter that it should be handled by a standing Program Committee. The members of this committee should be representative of the employment and geographic characteristics of the entire Chapter membership. This will facilitate the planning of programs which appeal to the diverse interests present in the Chapter.

At the beginning of each Chapter year, the Program Committee should meet to explore program possibilities consistent with the Chapter's financial status and make program recommendations to the Executive Committee. Once the annual program has been approved, various members of the Program Committee assume the responsibility of making the program arrangements (contacting speakers, reserving a location, selecting menus, coordinating publicity, etc.). It is appropriate for the chair of the Program Committee to report to the Executive Committee regarding the success of each program event and to the general membership at the annual business meeting at the end of the Chapter year.

The Program Committee should also consider taking surveys to determine the speakers and topics, types of programs, and meeting times and sites of interest to the Chapter membership. In particular, if one segment of the membership fails to attend Chapter programs or meetings, that segment should be contacted to determine a satisfactory program arrangement that would gain their attendance.

The tenure of the Program Committee will generally coincide with the Chapter year, but provision should be made for some continuity of leadership. Effective program planning will usually require planning beyond the tenure of the committee. Many Chapters are now using rotating assignments to be sure that some program planning expertise is always present.

3.4 THE MEMBERSHIP COMMITTEE

Of concern to each Chapter must be the maintenance of its present membership and the attraction of new members. Consequently, it is recommended that each Chapter establish a standing Membership Committee to maintain the current Chapter membership list, if not handled by the ASA office, and to formulate and carry out an annual action plan for attracting new members (see