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How to Organize a Chapter of Trout Unlimited



<http://www.tu.org>

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INTRODUCTION

FORMATION OF NEW TU CHAPTERS:

The single mission of Trout Unlimited is to conserve, protect and restore North America's coldwater fisheries and their watersheds. In particular, that means TU's mission is to optimize trout, steelhead and salmon fisheries.

Trout Unlimited is a non-profit corporation organized under the laws of the State of Michigan in 1959. According to the bylaws and Articles of Incorporation, the National Board of Directors is given the authority to charter chapters and councils. Therefore, all chapter and council bylaws must conform to Trout Unlimited's bylaws and Articles.

Trout Unlimited is a volunteer organization and is therefore dependent upon the commitment of its members to achieve the goals and objectives of the organization. There are three distinct levels of organization in TU: national, state council and local chapter. Each is dependent on the other. The national organization sets policy (resource and otherwise), provides membership services, addresses national resource issues and provides support and leadership to the grassroots.

State Councils coordinate the activities of the chapters within the state and provide a unified voice on state resource issues. Councils should also help chapters in any way possible. It should be understood that council leaders normally emerge from the chapter ranks. Although councils and chapters are distinct entities, the council should represent the unified voice of the chapters within its jurisdiction.

Since Trout Unlimited is a grassroots organization, chapters are its life blood. TU is an action-oriented organization, not a passive, subscriber organization. Each member is important to the activities and programs of TU.

It is important to bear in mind that what we as an organization accomplish (national, council and chapters collectively), is directly proportional to the commitment of our members. That is not to say that all members must be actively involved in chapter work. Some may choose financial support and not attend meetings. Others may desire to become fully immersed in chapter activities. Each is important. Our challenge is to get as many involved, in as many ways as possible.

Membership is very important to Trout Unlimited. Simply stated, the more members we have, the more effective we will be in protecting and improving the resource. From a chapter point of view, more members create a larger pool of active members and potential leaders.

An effective chapter is involved in the following areas:

1. Resource Activities: fisheries habitat improvement.
2. Educational Activities: newsletters, programs for members and for the public.
3. Public Relations: press releases, TV spots.
4. Fundraising: events, banquets, raffles, etc.
5. Fishing Trips.
6. Membership Development: programs to secure new members and retain existing ones.
7. Leadership: active committees, continuity of leadership, leadership training and development.
8. Support of Council and National TU programs.

Above all, it must be understood that Trout Unlimited is not just a fishing or social club. Trout Unlimited is a national conservation organization that is action oriented. We exist for one purpose: "to conserve, protect, and restore North America's coldwater fisheries and their watersheds."

In order to be successful, the chapter should be run like a business. We are in the business of protecting, preserving, and enhancing trout, salmon and steelhead habitat. Tremendous progress has been made during the past forty years. TU, through its chapters and councils, has had a substantial impact. But in reality, our work is only beginning.

TU's growth from a handful of members in 1959 to 130,000 in 2003 is powerful evidence that there is an increasing interest in TU's mission and objectives. Membership growth, new chapter formation and effective action by our chapters and councils are the means by which TU can continue to improve in its positive effects on coldwater fisheries. We must play an ever-increasing role in the resource battle.

CHARACTERISTICS OF AN “IDEAL” CHAPTER:

Characteristics of an “ideal” chapter were identified at an Organizational Effectiveness Committee meeting in December, 1985 as follows:

1. Has continuity of leadership
2. Utilizes a nomination process
3. Has elections in the Fall
4. Has active committees (membership, projects, newsletters, fundraising, conservation programs)
5. Has volunteer position descriptions
6. Sets annual goals and performance objectives
7. Sets schedule of activities at least 6 months in advance
8. Evaluates performance annually
9. Group skills: broad participation of members, not just a few
10. Has recognition (awards) program
11. Effectively communicates with members and community
12. Has effective newsletter
13. Conducts effective meetings and decision making
14. Meetings have good balance of content (social, business & resource)
15. Is equal opportunity (includes all types of enthusiasts – not just fly anglers, men, etc.)
16. Has effective membership recruitment program including retention of “suspended members”
17. Effectively welcomes and assimilates new members
18. Has education programs for the public
19. Has education programs for its members
20. Is involved in local and state resource issues
21. Has activities that benefit the resource (conserve, protect and restore)
22. Conducts successful fundraising (banquets, events, raffles)
23. Supports TU National
24. Is willing to implement the policies of TU
25. Understands and embodies its conservation mission rather than being “club-like”
26. Supports council and its activities
27. Helps form other chapters

This is quite a long list, and perhaps the committee that drafted it overlooked some characteristics. Certainly, some things may have changed, been taken away, or added in the 18 years since this list was compiled. However, a chapter that performs in a manner consistent with the above characteristics would indeed be an “ideal” chapter, even today.

HOW TROUT UNLIMITED IS ORGANIZED

Trout Unlimited's 130,000 members are organized into more than 450 chapters nationwide. Chapters are the heart of TU and are, quite literally, where the action is. In addition to their formal organization, successful chapters use the valuable volunteer time, talents, and resources of members to accomplish projects designed to benefit coldwater fisheries. Chapters may sponsor public workshops, "how-to" fishing clinics and conduct fishing trips among many other activities.

The national organization and its state councils play support roles to ensure the success of the local TU chapter. On the state level, 35 state councils bring together all the chapters in their states or geographical areas to coordinate their projects and activities. They facilitate an open channel for communication between local chapters, states, and the overall national organization via representatives elected to the National Board of Directors.

The National Board is a leadership body whose principal responsibility is to set the agenda for TU programs nationwide – and provide the necessary direction and support to get the job done. At the National level a small but excellent staff represents TU and services the programs and needs of the organization.

REQUIREMENTS FOR A NEW TU CHAPTER

The basic requirements for a new chapter of Trout Unlimited are 12 members, a chapter name, officers and a board of directors (six members). Chapter officers and directors should be selected and elected with care and concern for each individual's commitment and dedication to the purpose and objectives of Trout Unlimited. Each director should be an individual willing to accept responsibility within the chapter.

The first two to three months are critical to the success of the new chapter. Initial activities will focus on establishing efficient means of communication with chapter members and developing chapter plans and programs. A new chapter is also required to hold a fundraising event within the first 18 months of receiving the chapter charter. Guidance may be obtained from the state council, which will appoint a chapter organizer to provide assistance. Adequate communications and solid membership programs are essential for the new chapter to grow and prosper.

The bylaws of Trout Unlimited, Article VII – Section 1, provide for the formation of new chapters, subject to approval by the National Board of Directors. The authority for designating a new chapter and for determining the requirements for formation are specifically reserved to the National Board.

The chapter's application (see Letter of Transmittal, page 6) will be reviewed and considered at the next meeting of the Board of Directors or Executive Committee after receipt by the national office. If all requirements have been met, a charter will be issued to the new chapter. Documentation for the following items must be submitted to Trout Unlimited's office of Volunteer Operations:

1. Chapter Name. The officers and members should select a name for the chapter that suggests consideration of geographical locale, local streams, rivers, names of well-known fishing personalities, etc.
2. A list of the chapter's officers and directors. This list must include complete mailing addresses and telephone numbers. The minimum requirement is for a secretary, treasurer, and six directors.
3. List of Chapter members. This list shall include members of record at the time of chapter formation, as well as new members who have submitted membership applications and dues to the new chapter's treasurer. All dues and applications must be forwarded to the National Office with the chapter formation documentation. A new chapter must have a minimum of 12 members.
4. Chapter bylaws. Chapter bylaws must be signed by chapter officers and submitted for approval. Sample bylaws (see Appendix A) and certificate of adoption (see page 7) are part of this packet.
5. Tax exemption letter. A copy of a letter confirming the nonprofit status of the chapter must be signed by the chapter president. A copy of the tax status letter is included in this packet (see page 11).
6. Chapter territory map. A state road map or other map must be submitted with the chapter's boundaries indicated with a felt-tip pen. If more than one chapter exists within a state, boundaries of the chapters must be mutually agreeable to all chapters concerned. If a state has a TU council, the council is responsible for assigning chapter territory. Chapter boundaries must not cross state or national borders unless specific approval is granted by the National Board of Directors.
7. Minutes of chapter's first public meeting.
8. Fundraising Event. A new chapter is required to hold a fundraising event within the first 18 months of receiving their chapter charter.
9. Employer Identification Number (EIN) application. This must be filled out and mailed to the appropriate address for your state (see Appendix C). When your EIN is issued, you must send a copy to TU national.

**LETTER OF TRANSMITTAL:
NEW TU CHAPTER ORGANIZATION DOCUMENTATION**

Date:

Trout Unlimited
Attn: Volunteer Operations
1300 North 17th St., Suite 500
Arlington, VA 22209

To Whom It May Concern:

Please add the _____ Chapter, headquartered in _____, to the list of chapters to be approved and chartered at the next meeting of the Trout Unlimited National Board of Directors (or Executive Committee).

The attached documents attest to the eligibility of this chapter for chartering:

1. A list of chapter officers and directors.
2. A list of charter members.
3. A list of TU members from other chapters (or at-large) who wish to be transferred to the new chapter.
4. A signed certificate of adoption of the standard TU chapter bylaws, as approved by the chapter Board of Directors.
5. A complete set of chapter bylaws, as adopted.
6. A signed Group Tax Exemption certification.
7. A map showing the new chapter's assigned territory with a letter of approval from the council chairman.
8. Minutes of the first public meeting.
9. A list of persons attending the chapter's first public meeting.
10. A copy of the application for Employer Identification Number which is to be sent directly to the IRS per their instructions.

After all the above paperwork has been approved by the National Board of Directors, I understand we will receive the charter for this chapter.

Sincerely,

Chapter President (or Chapter Organizer)

Enclosures

Trout Unlimited
1300 North 17th St., Suite 500
Arlington, VA 22209

CERTIFICATE OF ADOPTION OF CHAPTER BYLAWS

We the undersigned, officers of the _____ Chapter of Trout Unlimited, Hereby certify that on _____ (date) the membership of this Chapter ratified the standard Chapter Bylaws as approved by the Trout Unlimited Board of Directors.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Directions: Send this original certificate of adoption to the National Office with the other chapter organization documents. Place a copy of this document with a copy of the chapter bylaws in the official chapter records.

MEMORANDUM

SUBJECT: TAX STATUS

Trout Unlimited has been granted tax exempt status by the United States Internal Revenue Service. Accompanying this statement on the following pages are copies of the basic IRS letters granting this status to TU and its subordinate chapters and councils. There have been one or more subsequent letters in response to filings TU has made updating its list of subsidiary organizations.

The following is a summary of the IRS ruling on TU's Group Tax Exemption:

- I. **APPLICATION:** This letter ruling applies ONLY to those chapters and councils who filed their authorizations with the National Office.

- II. **TAX ASPECTS:**
 - A. Exempt from the collection of Federal Income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954.

 - B. Contributions are deductible to the donor pursuant to Section 170 of the IRC. The subordinate councils and chapters are not private foundations within the meaning of Section 509 (a) of the IRC.

 - C. Exempt from the special excise tax on private foundations. Other excise taxes may be imposed on a case-by-case basis.

 - D. ***Social Security Tax:*** If the council or chapter has paid employees, then it is exempt from payment of the social security tax unless it takes the necessary action to file a waiver of exemption certificate.

 - E. ***Federal Unemployment Tax:*** If the chapter or council has paid employees, it is exempt from payment of the employer's portion pursuant to the Federal Unemployment Tax Act. This should carry over to the State Unemployment Statutes, but local counsel should be consulted on this.

 - F. ***Federal Withholding:*** If the chapter or council has paid employees, then it is required to withhold Federal Income taxes for such employees. State withholding should follow this same pattern, but local counsel should be consulted.

III. FILING REQUIREMENTS

- A. Each year, National Trout Unlimited is required to comply with the 45day filing requirement. Accordingly, it will be necessary for each chapter and council to furnish National TU with the information regarding change of mailing address, etc., on or before January 15, of each year.
- B. An annual return to the IRS is required of the council or chapter only in the event that its gross receipts are more than \$25,000.00. In such event, it is required to file the Form 990, Return of Organization Exempt from Federal Income Tax. The letter ruling, on the first page, explains this matter more fully.

IV. MISCELLANEOUS

- A. ***Solicitations and Donations:*** With this letter ruling each covered council and chapter may solicit and receive contributions from donors. The letter may be copied and furnished to the donor if requested. When received, the donations may be retained at the chapter or council level and need not be sent to National TU as was the practice in the past.
- B. ***Accounting:*** The importance of following strict accounting procedures at the chapter and council level cannot be over-emphasized. Since TU has a group tax exemption, it is highly possible that each council or chapter, as well as National TU, or any combination of them, may be audited and required to substantiate their receipts and expenses. As the action of any subordinate council or chapter could therefore jeopardize the entire tax status of National TU and other chapters and councils of TU, the importance of this matter is readily apparent.
- C. ***Lobbying or Legislative Activities:*** TU, its chapters and councils are forbidden from any participation, directly or indirectly, on behalf of or against any political candidate. This includes not only the normal state and federal offices, but also any locally elected officials. There are no exceptions. Only an “insubstantial” amount of the activities of TU or any of its chapters and councils may be devoted to lobbying or legislative activities. Unfortunately, “insubstantial” has never been defined in the statutes or regulations. The rule-of-thumb is that no more than 5% of the organization’s activities should be devoted to such activities. The activities relate to legislation which could be federal, state or local (ordinances of a city are deemed to be legislation). Legislative activities do not include efforts to change rules or regulations and, accordingly, TU and its chapters and councils may participate heavily in the agency processes. In arriving at the 5% figure, the IRS would not only include the actual time spent before the legislative body, but would also include any research efforts behind the legislative activity and would probably even allocate some portion of the

organization's overhead and administrative effort. As a result, the 5% figure permits only a minimal effort in the legislative area. When requested by the legislative body, representatives may appear and give testimony before such bodies, but this should be approached with caution.

As in the case of finances, it is very important for the chapter or council to record its time (and that of its members) spent in all of its activities in order to have a total against which the legislative activities may be measured.

Finally, there are some exceptions from this lobbying and legislative activity, but they are so complex as to exceed the scope of this memorandum.

In any instance where a chapter or council has any question regarding the above, it is suggested that the National Office be contacted for clarification.

TAX STATUS:

Trout Unlimited is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Its subordinate councils and chapters are also exempt if they follow the guidelines set forth in the preceding memorandum by Lawrence Reno, former TU counsel (see pages 8-10). Please read the memorandum carefully and follow the instructions therein.

All new chapters of Trout Unlimited must send to the National Office a letter (sample) below requesting group tax exemption, along with the other required documentation.

Date:

Trout Unlimited
Attn: Volunteer Operations
1300 North 17th St., Suite 500
Arlington, VA 22209

To Whom It May Concern:

You are hereby authorized to include the _____ Chapter in Trout Unlimited's Federal Group Tax Exemption. This action has been approved by the Board of Directors. Pertinent information regarding our organization has been set forth below.

Sincerely,

Chapter President

Name of Chapter: _____

Name of President: _____

Mailing Address: _____

Employer ID Number (EIN)
If available from filing on-line: _____

APPENDIX A: CHAPTER BYLAWS

- Available in “Tools and Resources” under the “Volunteers” section of www.tu.org

APPENDIX B: APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (EIN)

- Available in “Tools and Resources” under the “Volunteers” section of www.tu.org or directly from the IRS at:

<http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

APPENDIX C: IRS LETTERS GRANTING TAX EXEMPT STATUS

- Available in the “Volunteers” section of www.tu.org

If you have specific questions or want hard copies of these documents, please contact:

Sally Armstrong
Volunteer Operations
703-284-9410 or sarmstrong@tu.org