



**ASET Chapter Toolkit:**  
Guide to Organizing and Developing  
an ASET Chapter

# Guide to Organizing and Developing an ASET Chapter

ASET-The Neurodiagnostic Society  
402 East Bannister Road, Suite A  
Kansas City, MO 64131-3019  
816.931.1120 phone  
816.931.1145 fax  
[www.aset.org](http://www.aset.org)

The ASET Chapter Toolkit has been developed to assist you and your fellow neurodiagnostic technologists in forming an ASET chapter at the local, state or regional level.

ASET - The Neurodiagnostic Society is the largest national professional association for individuals involved in the study and recording of electrical activity in the brain and nervous system. Organized in 1959, ASET has grown to over 4,000 members. ASET's mission is to provide leadership, advocacy and professional excellence for our members, creating greater awareness of the profession and establishing standards and best practices to ensure quality patient care.

Neurodiagnostics includes but is not limited to: Electroencephalography (EEG), Evoked Potentials (EP), Nerve Conduction Studies (NCS), Polysomnography/Sleep Technology, Intraoperative Neurophysiological Monitoring (IONM), Long Term Monitoring (LTM), and Intensive Care Unit Continuous EEG Monitoring (ICU/cEEG).

This toolkit contains valuable information that will help you form a state or local chapter. The ASET staff is here to help you as you take the steps necessary to form your chapter. If at any time you have any questions about the material in this manual or need an electronic copy of any documents in the appendix, please contact the ASET Governmental & Grassroots Advocacy Manager at 816-931-1120, ext. 105.

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# *Introduction*

During its 2012 annual meeting the ASET Board of Trustees voted unanimously to adopt a Chapter Affiliate program. Under the program local, state and regional neurodiagnostic societies, and new neurodiagnostic grassroots organizations in development, may petition ASET to be chartered as an ASET chapter. The board's adoption of the Chapter Affiliate program was subject to endorsement by local, state and regional neurodiagnostic society presidents present at the Presidents Roundtable meeting held during the 2012 ASET Annual Conference. Those present at the meeting unanimously endorsed Chapter Affiliate program. Societies represented at the meeting included the Indiana Society of Electroneurodiagnostic Technologists and Technicians, Tennessee Neurodiagnostic Society, Florida Society of Neurodiagnostic Technologists, Michigan Electroneurodiagnostics Technologist Society, Central Society of Electroneurodiagnostic Technologists, Illinois Society of END Technologists, Mid-Atlantic Neurodiagnostic Society, Southern Society of Electroneurodiagnostic Technologists, Western Society of Electroneurodiagnostic Technologists, North Eastern Society of Electroneurodiagnostic Technologists, and the Greater New Orleans Electroneurodiagnostic Association.

The ASET Board of Trustees adoption – and local, state and regional society endorsement – of the Chapter Affiliate program was the culmination of two years of development, including multiple cycles of reviews and comments by the local neurodiagnostic societies and related stakeholders, and open discussion by ASET members at the 2011 ASET Annual Business Meeting.

The Chapter Affiliate program as outlined in this document provides for the legal formalization of relationships between ASET and local, state and regional neurodiagnostic organizations. While nothing in the affiliate agreement or chapter charter creates any association, joint venture, partnership, or agency relationship between ASET and local societies, the program does identify certain corporate formalities and tax and reporting obligations that local organizations must meet in order to be chartered as an ASET chapter. It also identifies the specific obligations that ASET and its chapters have to each other. Even though there have always been some shared memberships between the various entities, heretofore ASET and all of the local societies operated independently of one another. For detailed information on filing to become an ASET chapter refer to ASET Toolkit: Guide to Organizing and Developing an ASET Chapter.

The purpose of this toolkit is to assist neurodiagnostic professionals in developing a local, state or regional chapter of ASET - The Neurodiagnostic Society, with specific focus on the initial organization, legal requirements and the business aspects of creating and running the chapter. The expertise of ASET is available to provide you

with the necessary guidance, document templates and models to help your chapter achieve its full potential. We have elected to structure the process in a step-by-step manner so your group can take your organization as far as appropriate for your members. Keep in mind that organizing a local, state or regional chapter is not so different from starting a new business—it requires three primary things: Planning, Organization, Commitment.

PART I: This section provides information on establishing your chapter.

PART II: This section provides you details on organizing a chapter.

PART III: This section provides information on the business aspects of your chapter.

APPENDIX: Here you will find templates and forms to assist you with the development and continued growth of your chapter. The documents in the Appendix are templates that may be customized to fit your specific needs. They are merely a beginning point that will aid your chapter. You may contact the Governmental & Grassroots Advocacy Manger at ASET to obtain an electronic copy of any of the documents in the Appendix.

## About ASET-The Neurodiagnostic Society

### **ASET Mission Statement**

ASET – The Neurodiagnostic Society provides leadership, advocacy and resources that promote professional excellence and quality patient care in neurodiagnostics. As a membership organization, ASET advances the profession by serving member needs, defining and endorsing standards of practice, providing innovative educational opportunities, promoting the profession, and building coalitions in allied health and other communities of interest. Neurodiagnostics includes but is not limited to Electroencephalography (EEG), Evoked Potentials (EP), Nerve Conduction Studies (NCS), Polysomnography/Sleep Technology, Intraoperative Neurophysiological Monitoring (IONM), Long Term Monitoring (LTM), and Intensive Care Unit Continuous EEG Monitoring (ICU/cEEG).

### **ASET Vision Statement**

ASET – The Neurodiagnostic Society is the premier membership organization of professionals in the neurodiagnostic field. As the leader of the profession, we are the catalyst for collaboration. As a result, patients receive the highest quality care in neurodiagnostics, thus improving their health and well-being.

### **ASET Member Benefits**

The value of ASET membership can be evaluated not only by the tangible benefits you receive, but also by the practical guidance that is available to you through our education programs, advocacy, publications, and member network. Here are just a few advantages of a professional membership in ASET:

#### The Neurodiagnostic Journal

Free with your membership is a subscription to ASET's quarterly, peer-reviewed, *Index Medicus* listed journal full of research articles, case reports, review articles, technique articles, and book reviews.

#### ASET News

Free with your membership is a subscription to the Society's quarterly softcopy newsletter, featuring technical tips Interest Section feature articles, and Society news and events.

#### Online Education Portal

ASET's online education portal is accessible 24x7 and offers courses in EEG, IONM, NCS, EP and LTM.

### Education Seminars

Offered in various cities throughout the year, ASET's two-day education seminars offer programming to strengthen skills, improve core competencies, explore new ideas, and raise the level of group dialogue among participants.

### Webinars

Combining audio, video, chat, and blackboard capability, ASET's webinars offer you an interactive learning environment via your computer and the Internet. A new topic is offered every third Wednesday from January through May and from September through November. Recordings of webinars are also available.

### Annual Conference

The ASET Annual Conference is the largest educational opportunity and networking event in the world for neurodiagnostic professionals and industry partners.

### Continuing Education Credits

ASET-CEUs are awarded to programs that apply to ASET for this designation and meet rigorous evaluation criteria.

### Transcript Service

ASET maintains individuals' ASET-CEU credits in its member database. As an ASET member, you can log in on the ASET website and view or download your ASET-CEU transcript 24/7.

### Bookstore

ASET maintains an inventory of more than 50 titles of original works, reprints, and publications available through reselling agreements for EEG, evoked potentials, intraoperative neuromonitoring, nerve conduction studies, polysomnography, board exam preparation, lab management, and reference and career information.

### Online Member Directory

ASET's online Membership Directory is an invaluable networking tool. Members can search the directory by name, city, state, country, and Interest Section.

### On-line Discussion Forums

ASET's on-line discussion forums are organized by Interest Sections.

### Legislative and Regulatory Resources

Dedicated to promoting the value of neurodiagnostics and technologists to elected officials and regulators at the federal and state levels, ASET actively works to shape legislation and regulatory proposals that affect the neurodiagnostic community.

### Professional Standards and Best Practices

Through ASET's committees and task forces, members work to develop professional standards, best practices, and national competencies for the neurodiagnostic modalities.

### Employment Exchange

ASET's online employment exchange includes both a listing of available positions and a resume bank.

### Scholarships and Grants

ASET members may apply to the ASET Foundation for scholarships to underwrite registration for the Society's education seminars and annual conferences. Grants may be used to offset tuition cost of accredited neurodiagnostic programs and at institutions of higher education.

### Awards and Recognition

ASET believes in rewarding and recognizing its members for their service, dedication, volunteerism, and contributions to the neurodiagnostic profession.

### Group Insurance

ASET members, whether employed or self-employed, have the opportunity to purchase professional liability insurance.

## *Section One: Establishing an ASET Chapter*

The ASET Chapter Affiliate program grants non-exclusive charters to established local, state and regional neurodiagnostic societies as well as organizations under development. Establishing and growing neurodiagnostic organizations at the local, state and regional level has the potential to contribute to membership growth of the national society and the chapters. Establishing a chapter will lead to improvement of quality patient care by making continuing education opportunities more readily available – and presumably more affordable – at the local level as well as encouraging technologists who currently may be isolated to network with local peers and outreach more often with the local chapter and the national society. Strong neurodiagnostic organizations at the local, state and regional levels will help build awareness and understanding of the neurodiagnostic profession to both the institution and the patient populations. Chapters provide members information, continuing education and timely communication allowing them the opportunity to stay abreast of ever changing developments in the profession. The presence of a viable and organized neurodiagnostic organization with credible membership numbers in a given state will make it easier to marshal the forces to recognize and amend proposed legislation, regulations and rules that have a negative impact on the practice of the neurodiagnostic profession, and to advance legislation, regulations and rules favorable to the profession.

There are additional reasons for starting a chapter, which meet a variety of needs, including:

- A venue for meeting, interacting with and sharing information with other area neurodiagnostic professionals
- The opportunity to work together as a team to influence public policy and advocate on behalf of the profession
- A means of staying abreast of the constantly evolving health-care industry
- An open channel for the exchange of ideas and information
- Increased and accessible educational opportunities
- A centralized entity to enhance networking opportunities

Establishing a chapter requires a dedicated group of professions that are willing to put in the time and effort to see their plans through to a successful end. Organizing a chapter requires planning, organization and commitment. This step-by-step guide will take you through the process of successfully establishing an ASET chapter.

### **Step One: Forming a Steering Committee**

The first step in forming an ASET chapter is to establish a Steering Committee. The Steering Committee is instrumental in planning and organizing the efforts necessary to fulfill the commitment of becoming a chapter. It takes only a few dedicated, enthusiastic individuals to launch a local, state or regional chapter. It is helpful if these individuals have demonstrated leadership experience and/or are well known within their locality or state and thus able to recruit other neurodiagnostic professionals with the necessary skills. A steering committee of three to five individuals who are committed to the effort will provide a good starting point.

### **Step Two: Finding Neurodiagnostic Professionals in Your State**

The second step is to locate others who would be interested in becoming members of an ASET chapter. Professionals including technologists working in hospitals, physician offices, independent testing facilities, consulting services and equipment/supply vendor businesses are likely candidates for membership. In addition physicians, including neurologists and psychiatrists, along with PhDs, nurses, audiologists and other allied health professionals, are also potential members of a chapter. ASET can provide you with a list of current ASET members and prospects within your state as a starting point. It may be helpful to divide the state into geographical sections and assign each member of the steering committee a territory to canvass for potential members.

### **Step Three: Sending a Survey to Potential Members**

The third step is to send a survey to potential members that will help gauge the interest in forming a local or state chapter. As ASET's prospect list may be limited, you should also put together a list of facilities where neurodiagnostic procedures are likely to be performed and businesses that may employ neurodiagnostic professionals (hospitals, clinics, physician offices, equipment manufacturers, etc.). A state-by-state list of hospitals can be found at: <http://www.ahd.com/search.php> or by using any Internet search engine. A sample survey is available in the Appendix.

### **Step Four: Processing Surveys**

The next step in the process is to organize the surveys to maximize participation in your organizational meeting. A member of the steering committee should be assigned the responsibility of collecting and processing the returned surveys. From the survey responses, you can develop a mailing list. It is helpful to compile this list in a computerized format, such as Microsoft Excel or Access. As the mailing list grows it can be easily manipulated as needed in the future, to send out mailings, to

track membership and dues payments, etc. An Excel spreadsheet database template and survey tally sheet is included in the Appendix.

### **Step Five: Organizational Meeting**

The fifth step is to hold an organizational meeting. Invitations to your organizational meeting should include all the interested parties identified in your initial survey. You may choose to expand your invitation to those who did not reply to the survey as well, depending on the capacity of your meeting room. It is recommended that you include an RSVP request (with deadline) to be certain you have adequate space and refreshments (if provided) for all attendees. A meeting site which is central in the state is a good idea to provide easy access from all parts of the state. New chapters, with no initial startup funding, may seek a venue which can be reserved at no cost to the group, such as a hospital or university meeting room. Keep in mind the projected size of your group. Interested vendors may be willing to help defray the cost of an organizational meeting in their territory.

A sample invitation to an organizational meeting is included in the Appendix.

Keep in mind that the original members can be designated "charter members" and arrange for a group photo for historical purposes.

### **Step Six: Meeting Agenda**

The agenda for the initial meeting will get the chapter off to a good start. An agenda for the initial organizational meeting would likely include:

- Deciding on a name for the society (please refer to Step Eight)
- Development of Mission and Vision Statements
- Development of the chapter's charter (re: Bylaws/Articles of Incorporation)
- Appointment or election of temporary officers and board members (these may be the same as the Steering Committee members – see also Step Seven)
- Determination of dues
- Establishing a plan for future activities
  - Membership drive
  - Next meeting

You may want to consider using a trained facilitator to help with the initial organizational meeting, if funds are available. Starting with introductions helps the group get acquainted. Names, credentials, where each participant lives and works and what they do, along with some other detail about themselves (perhaps how they got into neurodiagnostic technology) will break the ice and help the group with

## Section Two: Chapter Organization

the decisions to be made later. It is important to assign someone as the temporary secretary or recorder to take minutes until an official secretary is elected. A sample agenda for organizational and charter meetings are included in the Appendix.

The next phase involves organizing the foundation of the chapter. Without a strong foundation the chapter will not be able to grow and thrive. These foundational steps are very important to insuring the success of your chapter.

### **Step Seven: Chapter Leadership**

A key foundational step is the designation of officers. Some groups may decide to go with a more formal nomination/election process while others may use a less formal first appointment for the inaugural leaders. It may be best to ask for volunteers to get those who are most interested working for the group. The survey provided will allow you to identify potential leaders. Most groups will elect a President, Vice-President (or President-elect), Secretary and Treasurer (or Secretary-Treasurer). These officers may be installed and begin their duties immediately. A Board of Directors, consisting of a specified number of members, should then be formed and installed. Details on the Board of Directors are as follows:

#### Financial Support and Benefits

- a. Directors do not receive compensation for their services.
- b. Members of the Board of Directors may receive complimentary registration for the annual conference during their terms in office, including those meals which are incorporated into the registration fees.
- c. In accordance with Chapter policy, reimbursement may be provided for specific and reasonable expenses incurred while attending additional board meetings or performing special duties as requested by the President and for which other coverage or reimbursement is not available.

The basic functions of the Board are as follows:

- a. To propose, discuss and approve strategic goals for the Chapter consistent with the mission of the chapter and ASET.
- b. To ensure the necessary resources are available and utilized efficiently
- c. To assure significant progress and achievement of goals
- d. To represent the interests of the Membership

- e. To act as the governing authority for the Chapter

The roles of the Board include:

- a. The Corporate Role
  - i. Implementation of a strategic plan
  - iii. Oversight of the programs and resources of the Chapter
  - iv. Establishing internal operational policies
- b. The Legislative Role
  - i. To identify and monitor issues of interest to the Membership
- c. The Adjudicatory Role
  - i. Evaluate positions presented and:
    - 1. Choose the best position
    - 2. Compromise/create alternatives choices
    - 3. Decide not to decide
- d. These roles and functions require that the Board focus its time and effort on direction setting, operational oversight, policy setting and strategic thinking.

### **Step Eight: Naming the Organization**

The name of the organization will tell the world who you represent. Organizations chartered by ASET as chapters shall bear the legal name: [name] Chapter of ASET – The Neurodiagnostic Society. Organizations already incorporated under a different legal name, and which are seeking chapter status should either file an amendment to their articles of incorporation for the name change (and notify all states in which they are registered (qualified) to do business accordingly), or file for a fictitious name certificate. A permissible reference to the chapter name in text is "... the [Name] Chapter of ASET – The Neurodiagnostic Society. An acceptable abbreviation of the Chapter name in text is (2-letter state abbreviation) ASET Chapter. Example: Florida Chapter of ASET – The Neurodiagnostic Society. Acceptable Abbreviation: FLASET Chapter (Note: the word "Chapter" must always appear with the acronym). Consider a logo for your group—if someone in your group has an artistic talent or expertise in graphic design, they may volunteer to develop a unique logo for your organization at no cost.

### **Step Nine: Mission Statement**

A mission statement is a short, compelling, written statement of the purpose of the organization. This statement will guide the actions of the group, spell out the overall goals, provide a sense of direction and guide decision-making. The statement provides the framework within which the organization's strategies are formulated. It should answer some specific questions:

- What is the organization?
- Why does it exist?
- What does the organization do?
- What does the organization want to be?

The mission statement is extremely valuable to your organization. It shapes, forms and directs the purposes or reasons for existence of the organization. Time, persistence, patience, creativity, refinement and compromise are required to finalize the mission statement but the time will be well spent. The existence of a mission statement will help in drafting the articles of incorporation, the bylaws and guiding the future direction of the group. An Internet search of various mission statements will provide you with examples to consider.

There should be a consensus among all stakeholders as to what the organization will seek to accomplish and a brief description of the service, product or philosophy as well as the members and constituencies to be served. Construction of your mission statement should be an open discussion with all possible ideas and suggestions given due consideration. There is no right or wrong length for a mission statement, with some being quite succinct and others several pages long. The final statement should be approved by a vote of the membership prior to being adopted.

As an example here is ASET's Mission Statement: "ASET – the Neurodiagnostic Society provides leadership, advocacy and resources that promote professional excellence and quality patient care in neurodiagnostics. As a membership organization, ASET advances the field by serving member needs, defining and endorsing standards of practice, providing innovative educational opportunities, promoting the profession, and building coalitions in allied health and other communities of interest. Neurodiagnostics includes but is not limited to Electroencephalography (EEG), Evoked Potentials (EP), Nerve Conduction Studies (NCS), Polysomnography/Sleep Technology, Intraoperative Neurophysiological Monitoring (IONM), Long Term Monitoring (LTM), and Intensive Care Unit Continuous EEG Monitoring (ICU/cEEG)."

### **Step Ten: Membership**

The classes of membership and dues schedule need to be determined. For some groups, there may be only one type of membership, while larger or more diverse groups may elect to have multiple types of membership, depending on the make-up of the participants. This will be incorporated into the bylaws as they are developed. If multiple classes of membership are developed a corresponding range of dues will be necessary.

As a guideline here are the different membership types of ASET:

**Active:** Any person whose primary employment or training is in clinical practice, research, education or management in neurodiagnostics may become an active member. Any person holding Active membership in good standing shall be entitled to all membership privileges including the right to vote, to hold office and committee appointment and receive the official publications of the Society.

**Associate:** Any person who has an interest in neurodiagnostics who does not qualify under the existing individual member categories may become an associate member. Associate members in good standing shall be entitled to all membership privileges, including the right to vote and to serve on committees, but shall not be eligible to serve as a trustee or officer.

**Student:** Any person enrolled in a formal training program for neurodiagnostics not including on-the-job training may become a student member. Such persons may qualify for student memberships for the length of their educational program. Student members shall receive official publications of the Chapter, may serve on committees, and shall be eligible to vote, but shall not be eligible to serve as a trustee or officer.

**Institutional:** Any health care delivery or educational institution which employs or educates neurodiagnostic technologists may become an institutional member. Institutional members in good standing shall be entitled to all membership privileges, including the right to vote by the primary representative as designated by the institution and to serve on committees, but shall not be eligible to serve as a trustee or officer.

**Corporate:** While not an ASET member class; your organization may want to consider forming a corporate member class as a way to enlist support from the vendor and supplier community. For example: Any corporation or business which provides a product or service to the neurodiagnostic profession and is interested in advancing the chapter may become a corporate member. Corporate members in good standing shall be entitled to serve on committees, but shall not be eligible to serve as a director or officer.

### **Dual Membership**

As adopted in the Chapter Affiliate program, it is the option of the individual and/or institution to join ASET, an ASET Chapter, or both. An individual or institution is not required to be a member of ASET in order to join a Chapter. Similarly, an individual or institution does not need to join a Chapter in order to be eligible to be a member of ASET. An individual and/or institution may opt to join one or more ASET Chapters.

## **Availability of Services to Non-Members**

Due to provisions of anti-trust laws, Association services considered to be of a competitive benefit must be made available to non-members. The association may charge a higher fee for the benefits offered. The association should make available its services to customers and suppliers of participants and non-participants, members and non-members. In the area of conferences, non-members should have access to participation in the events. Associations should make publications available to non-members and if advertising is allowed in such publications, non-members should also be eligible for placement of advertisements. If associations ordinarily provide membership lists and directories to members, they should make them available to non-members.

An association does not necessarily have to solicit non-member participation in any of its activities. However, it must grant access to specific services if such access is requested by a non-member. In such cases, an association may charge the non-member a reasonably higher price for the particular association service than it charged for members.

## **Step Eleven: Chapter Dues and Collection**

Each Chapter is empowered to set its member dues structure at a sufficient level to fund and sustain its operations. However, if the Chapter opts to take advantage of ASET's chapter member enrollment and renewal program, then the Chapter member year must be on the calendar year and provisions should be made for a pro-rated dues structure for the first year of membership.

For Chapters taking advantage of the ASET Chapter Member Enrollment and Renewal Program, it is recommended that Chapters establish a two-tiered dues structure for each of its member classes. Tier one would be applicable to individuals and institutions that opt to hold dual membership in ASET and the Chapter. The second tier would be applicable to individuals and institutions opting to become a member only of the Chapter. Under the tier one dues structure, the individual and institution would be assessed a lower dues rate compared to individuals and institutions opting to just join at the chapter level, thus providing an economic incentive to join both the national and the chapter organization. Example member application forms are available in the Appendix.

## **ASET Chapter Member Enrollment and Renewal Program**

ASET's membership database (internet4associations) has the ability to add chapter membership as an option to the ASET membership application with dues rate (or rates) as determined by each individual chapter. ASET and chapter dues payments can be segregated for easy reporting of new and renewal dues to each organization.

To help grow chapter membership, and to eliminate some of the administrative burden on the part of chapters to bill and collect for member dues, when a chapter has been officially chartered by ASET, the Society will add that chapter and its dues rates to the Society's membership applications. Individuals and Institutions submitting ASET member applications will have the option to join a chapter at the time of application submission. For individuals who join both ASET and a chapter, at the time of member renewal, ASET's dues renewal notices will be modified to bill for both national and the applicable chapter dues. At the time of renewal, members will have the option to renew their ASET membership only, their dual (ASET and chapter) membership, or their chapter only membership. Upon renewal, members also will have the opportunity to change their chapter membership in the event they relocate to a region outside of their original chapter territory.

It should be noted that for chapters utilizing two-tiered dues rates, renewal of chapter-only membership thru ASET will likely result in utilization of the lower membership dues rate.

Those chapters who participate in the ASET Chapter Member Enrollment and Renewal Program will receive a monthly Excel spreadsheet via e-mail. This will include the demographic and payment information on all chapter membership and/or renewal applications and dues payments for the preceding month. In addition, the chapter will receive quarterly payments for 100% of all chapter dues collected by ASET during the preceding quarter.

Chapters participating in ASET's Chapter Member Enrollment and Renewal Program have the option to designate on their chapter membership applications that individuals joining only at the chapter level submit their application and dues payment directly to ASET for processing (either hardcopy or online). Chapters opting to have ASET process its chapter-only member applications must work with ASET in the development of those applications to ensure consistency in data requested on the member application forms.

No later than September 30<sup>th</sup> of each year, chapters participating in the ASET Chapter Member Enrollment and Renewal Program must submit their dues rate structure for the coming year.

Complete contact and demographic information captured by ASET on the chapter only member application will be included in the Excel spreadsheet emailed monthly to the Chapter Secretary (or designee). Dues payments received by ASET from chapter only member applications will be included in the quarterly payments sent to the Chapter. The advantage to this is that it eliminates the need for the chapter to maintain a member database and dues payment records, or greatly decreases the amount of labor required on the part of the chapter to maintain its member list. For those chapters that do not have the capability to accept member applications and

dues payments online, it also eliminates the need for chapters to obtain and enter into merchant agreements to process charge card transactions and pay merchant processing fees as those fees will be absorbed by ASET.

## *Section Three: Your Chapter as a Business*

### **Step Twelve: Incorporation**

In order to be eligible to become an ASET Chapter the organization must be incorporated or have filed for incorporation. Available legal structures for associations include corporation, unincorporated association and trust. Establishing your chapter as a corporation provides several advantages including: officers, directors, members and employees who act in good faith are, in general not personally liable for association liabilities; there are designated lines of authority and organization structure; the organization must operate within a carefully conceived system of state law; and incorporation permits perpetual existence. Disadvantages of not incorporating include: unincorporated associations, which are rarely treated in detail by state statutes, are subject to much greater legal uncertainty; individual liability of members is possible; and it is difficult to establish entity status. Incorporated status is issued by the state government and designates the corporate status (i.e. non-profit). An initial filing fee is generally required and often an annual report with a renewal fee. An attorney can assist with the incorporation process but most states provide information to allow individuals to complete the required application without legal representation.

### **Indemnification**

If an association is incorporated, members, officers and directors are not usually liable to third parties for debts and obligations of the chapter. However, directors and officers may be liable to third parties if an association is not adequately funded and/or if actions are imprudent/grossly negligent or willful and result in liability to the association. Further, directors and officers may be held liable for association offenses that are personal violations, such as libelous statements and conspiracy to violate antitrust laws.

Associations may indemnify officers, directors and employees against liabilities arising out of actions taken in good faith. Indemnification may be voided if the association dissolves. Indemnity and insurance must usually be obtained with exclusions for antitrust violations, willful misconduct and violation of state or federal laws prohibiting discrimination. Policies with antitrust coverage may be available.

### **Articles of Incorporation**

Each state requires filing of the "Articles of Incorporation" which becomes the basic governing document for the corporation. This is typically a simple form which includes basic information such as the name of the corporation, the general purposes, the board of directors, etc. The applicable Secretary of State office should have forms which can be easily followed. The National Association of Secretaries

website will allow you to find your Secretary of State at:

[http://www.nass.org/index.php?option=com\\_contact\\_display&Itemid=346](http://www.nass.org/index.php?option=com_contact_display&Itemid=346)

### **Step Thirteen: Chapter Bylaws**

The next task to be tackled is the development of chapter bylaws. The bylaws codify the rights and privileges of the chapter's members and describe the relationship between the chapter's Board of Directors and its membership. They serve as a guidepost for the work of all officers, committees and members. The President may elect to assign someone to chair a Bylaws Committee or have the board work on this important document. It is helpful to establish a deadline for an initial draft to be completed for review, approval or revision. Generally bylaws will need to be completed and approved before an application for incorporation can be submitted to the state. A model chapter bylaws is included in the Appendix which may be tailored to the individual chapter. Bylaws should include:

- Definition of classes and eligibility for membership
- Provisions for election of officers and board members
- A description of the duties of the officers
- Definition of board procedures
- Establishment of standing committees and their operation
- Establishment of meeting frequency and necessary quorum for decision making
- Means for amending the bylaws

### **Step Fourteen: Obtaining an Employer Identification Number**

An important part of the incorporation process is to obtain an Employer Identification Number (EIN) by filing IRS form SS-4. Even if your group does not plan to have any paid employees, this number will be required for many activities, including opening a bank account, obtaining educational grants and filing for non-profit status with the IRS. You may find the instructions on obtaining an Employer Identification Number at <http://www.irs.gov/pub/irs-pdf/iss4.pdf> and you may find the form at <http://www.irs.gov/pub/irs-pdf/fss4.pdf>

### **Step Fifteen: Non-profit Status**

Another step that must be taken is to file the proper paperwork to establish the chapter's non-profit status. There are several classes of non-profit status with the Internal Revenue Service (IRS). Most neurodiagnostic chapters will likely apply for designation as a 501(c) (6) organization. This code applies to business leagues, chambers of commerce and trade associations. There is a wealth of information on the IRS website, including the required forms: <http://www.irs.gov/Charities-&Non->

## Profits/Other-Non-Profits/Life-Cycle-of-a-Business-League-%28Trade-Association%29

In order to obtain recognition of tax-exempt status under Section 501(c) (6) of the Internal Revenue Code you must use Form 1024 or request to be included in ASET's IRS group exemption. You may find instructions on IRS Form 1024 at: <http://www.irs.gov/pub/irs-pdf/i1024.pdf> and you may find the form at: <http://www.irs.gov/pub/irs-pdf/f1024.pdf>. If your request to be included in ASET's IRS group exemption is approved, your chapter will not have to file separately for tax exempt status. However, your chapter still will have to annually file separate tax returns.

Keep in mind that the designation of 501(c)(6) does not mean that dues payments and contributions to the chapter are tax-deductible but with accurate documentation your chapter may be exempt from paying federal income tax under section 501(c)(6) of the Internal Revenue Code. Even though your chapter may not have a federal income tax liability, your chapter still will be required to file annual tax returns. The amount of your annual chapter income will determine which IRS tax you're your chapter will need to file.

You may be required to file IRS form 990. You may find the instructions on IRS Form 990 at <http://www.irs.gov/pub/irs-pdf/i990.pdf> and you may find the form at <http://www.irs.gov/pub/irs-pdf/f990.pdf>. Effective for 2010 tax year filings, which will be made in 2011 and later, there are new threshold amounts determining which Form 990 must be filed by exempt organizations that are not private foundations. Some nonprofits will be able to file simpler forms under the new thresholds. Organizations with annual gross receipts of \$200,000 or more and total assets of \$500,000 or more will be required to file the "long" Form 990. Organizations with annual gross receipts of more than \$50,000, but less than \$200,000, and with total assets less than \$500,000, may choose to file the long form, but can choose to file the shorter Form 990-EZ instead. Organizations with annual gross receipts normally equal to or less than \$50,000 can choose to file either Form 990 or Form 990-EZ, but they can also choose to file a Form 990-N "postcard" return electronically. The regulations and thresholds are subject to change yearly.

The Form 990 (or equivalent) must be filed by the 15<sup>th</sup> day of the 5<sup>th</sup> month following the end of the chapter fiscal year (see current IRS regulations). These forms must be available for public inspection on request. In order to accurately account for chapter income, an income and expense statement and balance sheet should be maintained. Templates for these spreadsheets are in the Appendix.

There are specific guidelines for groups which are designated as non-profit by the IRS, particularly related to purposes of the group, corporate compliance policies

and lobbying activities, etc. Refer to the IRS website for current information and consult legal counsel for clarification. Some of the most important IRS guidelines the group must follow are:

1. Specify in its articles of incorporation that no part of the chapter's net earnings may inure to the benefit of any private shareholder, individual or entity, and restrict the chapter's managers or directors from approving any transactions that benefit a closely connected third party in excess of fair market value (except where the transactions are in furtherance of the chapter's tax-exempt purposes)
2. Limit activities to those that are for the improvement of the entire profession and not undertake activities that only provide particular services for individual persons or entities;
3. Not engage substantially in a regular business of a kind ordinarily carried on for profit, even if the business is operated on a cooperative basis or produces only sufficient income to be self-sustaining
4. Avoid engaging in substantial unrelated business activities that might jeopardize the chapter's tax-exempt status
5. Properly identify and account for net income received from a trade or business regularly carried on by the chapter, which is not substantially related to the tax-exempt purposes of the chapter
6. Properly identify and report the chapter's lobbying activities for federal tax purposes. (Note: The general rule governing lobbying by 501(c)(6) organizations requires that organizations either disclose to their members the percentage of membership dues which are not deductible due to the organization's lobbying activities or pay a proxy tax on total lobbying expenses.)
7. Include in membership applications, dues invoices and other forms requesting payments or contributions a notice that states that contributions, gifts or payments to the chapter are not tax deductible as charitable contributions (in addition, such forms generally must contain the required lobbying tax disclosure unless the disclosure is provided separately or the organization elects to pay the proxy tax)

### **Step Sixteen: Register to Do Business**

In order to do business in your state, you must register as a business with your state. The vast majority of states assign the duty of business registration to the

Secretary of State. The National Association of Secretaries website will allow you to find your Secretary of State at:

[http://www.nass.org/index.php?option=com\\_contact\\_display&Itemid=346](http://www.nass.org/index.php?option=com_contact_display&Itemid=346)

Check with your state on the specific requirements, but as a guideline the following steps normally are required in order to register to do business:

1. Before drafting articles of incorporation, it is imperative that you check the availability of the desired business name with the Secretary of State's office.
2. Next you need to select the ownership type. The ownership type you will be registering is a non-profit corporation.
3. You will need to provide information on your chapter; including: Legal name; mailing address, physical location and telephone number.
4. You are required to provide information on the officers of the chapter.
5. If the chapter is going to sell any items it will need to apply for a sales/use tax license.

### **Step Seventeen: Establishing a Bank Account**

You will want to establish a bank account for your chapter. A tax identification number will be required by the bank. Specific persons are designated as signatories, generally the President and Treasurer at a minimum, and are allowed to conduct banking business. When officers change, these signatories must also be changed with the banking institution. The bank may request a copy of meeting minutes which reference the decision to open a bank account and who has been designated as signatories. All income generated in your Chapter should be deposited in the Chapter checking account.

### **Step Eighteen: Record Keeping**

With the reporting that is required by state and federal law it is imperative that each chapter maintain business records. It is best to keep accurate financial records which will make it easier to fulfill the requirements of state and federal regulations. A Balance Sheet and Statement of Income and Retained Earnings are included in the Appendix which may be tailored to the individual chapter. Below are some guidelines:

- Corporate records (Articles of Incorporation; bylaws, including all amendments minutes of all board, executive committee and membership meetings; all reports filed with the state). These records should be kept on a permanent basis.

- Tax records (all tax information, returns and correspondence with federal, state or local tax authorities). These records should be kept for a minimum of seven (7) years.
- Financial records (budgets, balance sheets, financial statements, bank statements, cancelled checks). Maintain for minimum of seven (7) years.
- Insurance records (policies and documentation related to claims). Maintain for six (6) years.
- Contracts (written contracts, such as with meeting facilities). Retain for minimum of three (3) years following completion of the contract.

### **Step Nineteen: Chapter Committees**

Finding dedicated members who are willing to devote time and expertise to serving on a chapter committee will make a tremendous impact on the organization. Most committees will require only a nominal time commitment from members but enormous benefit will be derived from a diverse point of view. Some of the committees which you may want to form include:

- **Membership Committee:** Promotes and develops recruitment and retention programs. Recommends programs and services to benefit membership.
- **Bylaws Committee:** Develops bylaws that codify the rights and privileges of the chapter's members and describe the relationship between the chapter's Board of Directors and its membership.
- **Nominating Committee:** Receives and solicits nominations; reviews nominee qualifications and prepares official slate; recommends policies and procedures relating to the nominating process.
- **Finance Committee:** Responsible for managing and maintaining the finances of the Chapter along with fund raising, cash flow management, income and expense management plus budgeting and growth initiatives.
- **Government Advocacy Committee:** Creates partnerships with key stakeholders, establishes new lines of communication with policy-makers and extends outreach to public policy discussions.
- **Communications Committee:** Communicate the activities and events of the Chapter both internally, and to all external stakeholders. The Committee is also responsible for producing the Chapter newsletter and distributing it to all key stakeholders on a regular basis.
- **Education Committee:** Plans strategic initiatives for educational programming and professional development.
- **Policy & Procedure Committee:** Develop, maintain and recommend to the Board of Directors policies and procedures that will serve to support the over goals and objectives of the Chapter.

- **Program/Annual Conference Committee:** Coordinates all events and programs that the Chapter hosts for its members. Committee is responsible for the planning and logistics associated with Annual Conference.

It is helpful if each committee is given specific guidelines about their role, duties and goals. They may want to develop their own committee mission statement which should be complimentary to the chapter's statement. The following documents found in the Appendix will help you as you develop your committee structure:

- Developing a Committee Work Plan
- Volunteer Recruitment Form
- Committee Chairperson Job Description
- Committee Member Policy