



THE WORLD'S LARGEST  
GOLD PROSPECTING ASSOCIATION

# MEMBER CHAPTER PROGRAM

## **GPAA Chapter Bylaws-Officers duties and Standards:**

GPAA Member Chapters program has become a standard part of the GPAA lifestyle for members across the United States. The following standards and operational guidelines have been tried, tested, and found to offer all GPAA Member Chapters the greatest opportunity to grow and succeed.

## **GPAA CHAPTER PURPOSE:**

GPAA Chapters exist solely for the GPAA members and as a benefit to their membership. It is the responsibility of the GPAA Chapter and its members to provide an engaging environment that includes education, fellowship, local community outreach, youth programs, mining rights advocacy, and the use of ecologically sound methods of prospecting and small-scale mining for adults, families, and their children.

GPAA Members are the driving force of all GPAA Chapters. It is the responsibility of all members, as well as elected and appointed officers of the chapter to always have the benefits and best interest of the GPAA members as their primary goal.

**GPAA CHAPTER PROGRAM BYLAWS:**

EFFECTIVE DATE: 20\_\_\_\_\_

**ARTICLE ONE – NAME:**

The name of the GPAA Member Chapter shall be the \_\_\_\_\_  
CITY  
\_\_\_\_\_ Chapter of the Gold Prospectors Association of America (GPAA)  
STATE

**ARTICLE TWO – OFFICE:**

The principal mailing address of this GPAA Chapter shall be:  
Street number \_\_\_\_\_  
City State Zip code \_\_\_\_\_

The GPAA Member Chapter will promptly update the GPAA Chapters Department of any address changes.

**ARTICLE THREE – Members:**

**Chapter Membership Guidelines:**

**Chapter Members:**

GPAA Chapters consist of active members of the GPAA. The official Chapter’s Roster is maintained by the GPAA and provided monthly to officers of each Chapter for verification and update. Any active GPAA member may affiliate with their local Chapter during a Chapter meeting or function, or by request submitted to the GPAA Headquarters.

**Chapter Membership Responsibility:**

It is the responsibility of the individual GPAA member to read, understand and abide by the GPAA Chapter Bylaws as well as any addition to any rules or bylaws the local chapter has created and voted upon in conjunction with GPAA Bylaws. Violations of any established rules, regulations, or bylaws are subject to review by the Chapter officers and GPAA Chapter membership.

### **Chapter Expectations:**

- a) All GPAA Member Chapters will hold themselves resolute to the GPAA Chapters Mission Statement.
- b) The GPAA Member Chapter is required to keep and regularly update a roster of all active GPAA members affiliated with the Chapter.
- c) All GPAA Chapters shall be run by the active voting category of active GPAA members. Household memberships (spouse or children) are allowed to hold chapter offices. However, the related individuals cannot hold positions where two or more household members have the signature authority of the Chapter's banking accounts or as the Chapter Purchasing Agent simultaneously. No single-family or individual will have the ability to control a GPAA chapter or member vote at any meeting, (this shall not occur under any circumstances).
- d) GPAA Chapters Department and the GPAA can, at their discretion, disassociate and withdraw a chapter from the GPAA Chapter Program. Cause for the removal includes, but is not limited to, the following:
  - a. Chapter's actions do not reflect the GPAA Chapter Mission and/or disregards active GPAA members and their membership benefits.
  - b. The Chapter allows non-active GPAA members and/or non-members voting rights in GPAA Chapter-related matters reserved for active GPAA member voting.
  - c. Complaints, coupled with evidence from active GPAA members within and/or outside of the Chapter regarding any wrongdoing, GPAA member or nonmember harassment, disregard to GPAA Chapter Bylaws, failure to adhere to state and federal land management regulations, and other associated issues that creates discord between the Chapter and the community.
  - d. Chapter's disregard to the GPAA Code of Ethics, Chapters Mission, Gold Prospectors Association of America National Mission, and the benefits of all active GPAA members.

If a GPAA Chapter is removed from the GPAA Chapter Program, all earned points shall be revoked and the chapter will be deleted from all related GPAA publications and websites. The former Chapter shall immediately remove and cease in use of all GPAA affiliation references, including but not limited to, print, video, and social media. The GPAA shall not be responsible for reimbursement of any type due to members or outside identities. All payments shall be paid by the former chapter.

## **ARTICLE FOUR – Officers and Committee Members:**

Active GPAA membership must be maintained in order to hold any position within a GPAA Chapter. GPAA Chapter officers are elected in good faith, based upon their abilities to operate, and grow the chapter for the good of the entire GPAA membership, locally and globally. All Officer, Appointed and Committee Chapter Positions are volunteer positions and serve without remuneration.

### **Required Elected Officers:**

*Full position responsibilities are listed in the Officer Duty section of this document.*

The officers of the local chapter shall maintain the day-to-day operations of the chapter. All core positions (A-E) must be filled and maintained to be considered an active GPAA Chapter.

### **The required elected positions shall be:**

- A. **President:**
- B. **Vice President:**
- C. **Secretary:**
- D. **Treasurer:**
- E. **Membership Chairperson:**

### **Optional Elected or Appointed Positions:**

Additional positions may be elected with GPAA membership majority vote at the chapters' discretion or appointed by the chapter officers. These positions consist of:

- a. **Claim Manager/Inspector:** Member Elected
- b. **Public Information Officer:** Appointment or Member Elected
- c. **Equipment Manager:** Member Elected
- d. **Fundraising Coordinator:** Officer Appointment
- e. **Outings Coordinator:** Member Elected
- f. **Wagon Master:** Officer Appointment

**GPAA Chapter Member Committees: Member Elected**

GPAA Volunteer Member Committees shall be formed to lead projects that require additional consideration or information than what is readily available during a member vote during a GPAA chapter meeting.

Chapter committees shall be comprised of active GPAA members only with the minimum number of committee members being three to assure majority voting.

All decisions that impact chapter structure and operations shall be reviewed and submitted to the general GPAA membership for a vote. In all cases where issues may impact the chapter status, GPAA membership, or the structure of the chapter, a GPAA Member Committee shall be formed to lead these projects prepare and submit a proposal for a vote by the GPAA Members of the chapter.

Examples of Essential long-term committees:

- a. Membership committees – GPAA Member committees shall be designed to work directly with the Membership Chairperson for the purpose of growing and maintaining GPAA Membership.
- b. Fundraising Committee – GPAA Member committees shall be designed to work directly with the Fundraising Coordinator for the purpose of creating external fundraising opportunities and obtaining products for internal member fundraising.

Examples of specific project committees:

- c. Bylaws Amendment Committees – GPAA Member committee shall be a project-oriented committee that works with the Chapter officers, GPAA members, and the GPAA Chapters Department to amend GPAA Bylaws for the benefit of the GPAA membership of the chapter and the GPAA organization.
- d. GPAA Chapter Relocation- GPAA Member committee shall work directly with officers for finding a suitable location for the relocation of the Chapter to be presented to the GPAA membership for a vote.

**ARTICLE FIVE - Elections, Voting, and Terms of Office:**

**Voting Rights:**

Active GPAA members shall be entitled to one vote on each matter. Each matter shall be submitted to the chapter members and the officers for vote consideration.

GPAA Chapter's Department shall provide the current active GPAA Member Roster to the Secretary and the Membership Chairperson to assure accurate voting. Voting members shall be checked off the roster during the voting process. Active GPAA Members must be registered with the Chapter and on the Roster provided by GPAA Headquarters in order to vote. There are no exceptions. Active GPAA membership card may be required as proof of eligibility. Voting is limited to one vote per family membership.

All elected officers or appointed officer positions must vote on all matters requiring consideration. No officer or appointee may abstain from voting unless there is a disciplinary action that directly involves the officer.

A quorum of fifty percent (50%) of the eligible GPAA voting membership per GPAA Chapter Department supplied membership roster is required for any and all voting.

**Officer Elections:**

Nominations and the election of Chapter officers shall occur annually. The active GPAA Chapter members shall be required to elect each officer via chapter meeting.

Any officers who have completed their term must turn over all GPAA Chapter records, supplies, and equipment to the newly elected officer(s) within thirty (30) business days from the annual re-election date.

**Certification:**

All officer elections shall be overseen by a non-chapter associated GPAA State Director and/or a three GPAA Member Committee appointed from within the Chapter. The chairperson of the committee shall report election outcomes directly to the chapter and the GPAA Chapters Department.

The purpose of the committee with either the oversight of a GPAA State Director or appointed by the membership will be limited to verifying the authenticity of approved GPAA member voters, tallying all votes, entering to the record the voting outcome, and informing the GPAA Membership of the election results. No current elected chapter officers, nor those running for elected office may sit on the GPAA Member Committee appointed to certify the election results.

## **Officers Duties:**

### **PRESIDENT:**

- a) The President shall be primarily responsible for the GPAA member chapter day to day operations. The President shall act as the operating lead of the Chapter in accordance with the GPAA Chapter Program Formation & Bylaws.
- b) The President shall coordinate and conduct regularly scheduled chapter meetings, calls to order, announce all officers and their respective reporting during a meeting and announce all member and guest speakers.
- c) The President will coordinate and delegate the responsibilities of the other officers and member committees within the chapter in order to achieve chapter goals and priorities.
- d) The President shall be held accountable for the signature of Chapter correspondence, including but not limited to, contracts, agreements, and any other business that may require execution on behalf of the Chapter.
- e) It is the responsibility of the Chapter President to maintain liaison with the GPAA Chapter Department administration.

### **VICE PRESIDENT:**

- a) The Vice President shall act in place of the President, when and if the President is temporarily unable to carry out the expectations of his or her position. The Vice President does not have the right of succession to the Presidency under the circumstances that the President is permanently unable to serve and oversee the operations of the chapter. The Vice President shall oversee all committees to ensure GPAA guideline compliance, in addition to performing various duties as assigned by the President.
- b) Additionally, it is the responsibility of the Vice President to assist in the maintaining the order during chapter meetings and to oversee the fundraising efforts and activities during GPAA chapter meetings.

### **SECRETARY:**

- a) The Secretary is responsible for all non-financial documentation for the chapter and GPAA correspondences. Chapter Secretary is responsible for the creation, reading, and upkeep of all Chapter meeting minutes. The Secretary will be held accountable for the maintenance and storage of all Chapter records. The Secretary will serve as the recognized elected officer relating to record keeping and assuring accuracy.



**SECRETARY-Additional duties include but are not limited to:**

- a) Documentation and backup of the Chapter's membership roster in conjunction with the Membership Chairperson.
- b) The maintenance and printing of required chapter and member committee forms and documents, Maintaining the Chapter's Event, Outings, and Meetings Calendar.
- c) Accessing GPAA Chapter bylaws master copy.
- d) Preparation of Chapter correspondence (at the request of the chapter president)
- e) Manage and maintain all Chapter office equipment and mail supplies.
- f) All documentation including all copies of financial reporting will be the responsibility of the secretary for storage for the minimum time required by local entities in your State who monitor accurate record retention, i.e., IRS and/or Secretary of State. And to provide these files at the end of their term to the incoming secretary.

**TREASURER:**

- A. The Treasurer has the primary responsibility of managing and maintaining GPAA Chapter funds and expenditures. The Treasurer may be required by law to document funds and expenditures for tax purposes pursuant to your State and Federal reporting expectations. The Treasurer may be required, at the discretion of the GPAA Chapter officers, and members, to deposit Chapter funds into an official GPAA Chapter bank account. The Treasurer is accountable for bookkeeping, financial transactions, and accounts including but not limited to:
  - a. Annual Financial Reports and or Chapter tax-related obligations
  - b. Manage and maintain Chapter's bank account, including balancing the Chapters checkbook.
  - c. Keep accurate records of accounts payable and receivable in conjunction with Chapter expenditures.
  - d. Financial institution deposits and withdrawals for Chapter's expenditures.
  - e. Prepare monthly and annual financial reports.
  - f. Collect and document all monies in the Chapters petty cash account.

*The chapter expenditures are public record and should be shared openly at chapter meetings during the reading of chapter minutes and/or upon written or verbal request*

**MEMBERSHIP CHAIRPERSON:**

The Membership Chairperson shall be the primary contact between the GPAA chapter administration and the chapter for all matters relating to GPAA membership. Their position includes but is not limited to the following:

- a) Planning and coordinating drives for GPAA Membership, both in and out of the chapter setting.
- b) Maintaining the chapter roster of active GPAA members. Notify members of incorrect member contact information and collect updated information to be sent to the GPAA Chapters Department administration.
- c) Coordinate with the Public Information Officer (PIO) to “push out” information on GPAA, Chapter membership, and GPAA overall promotions through the chapter’s social media and printed publications.
- d) Supply to the Secretary a current voting member roster before all GPAA chapter meetings.

**CLAIMS MANAGER/INSPECTOR:**

- a) The Claims Manager/Inspector (CMI) will be the primary point-of-contact for all activities relating to GPAA claims and leases in the chapter’s local area and coordinates with the GPAA State Claims Committee or GPAA State Directors and the GPAA Claims Department.
- b) They are also responsible for maintaining Claims Rosters (provided by the Secretary), CMI is responsible for creating and coordinating the activities of locating prospecting and proposing new claims to a GPAA Chapter State Director or directly to the GPAA Claims Department by establishing and maintaining Chapter Claims Team volunteers.
- c) Coordinating with the Outings Coordinating and the PIO in planning/scheduling common digs and Chapter outings.  
(Forms available through the GPAA Chapters department and or Claims Department).

### **EQUIPMENT MANAGER:**

- a) The Equipment Manager has the primary responsibility of managing, storing, inventorying, and documenting all Chapter equipment.
- b) They must provide a verifiable system that will allow Chapter members to utilize equipment through a check-out process (equipment should be made available to members so long as the Chapter is not using it for Chapter activities) and coordinate with the Treasurer to acquire and restock the “For Sale” equipment. The Equipment Manager should at all times have the ability to assess a used value to all chapter equipment and may, if necessary and at the Chapters’ discretion, appoint an assistant.

### **FUNDRAISING COORDINATOR:**

- a) The Fundraising Coordinator has the primary responsibility of coordinating with the Chapter Vice President ways to acquire gold and merchandise for fundraising efforts (i.e., meetings, events, gold shows, etc.).
- b) The coordinator will form a long-term minimum three-member membership committee of GPAA members to assist in researching opportunities for chapter fundraising. All ideas will be presented to the Vice President then the GPAA chapter membership to vote on these opportunities.
- c) It is the Fundraising Coordinators responsibility to keep inventory of and maintain all fundraising equipment.

All fundraising income will be overseen by the Treasurer, or another officer tasked by the Vice President. Complete and accurate accounting shall be presented, along with all monies acquired post-fundraising to the Vice President and Treasurer.

### **OUTINGS COORDINATOR:**

- a) Outings Coordinator has the primary responsibility of scheduling and coordinating GPAA Chapter outings and coordinate with State Directors to schedule statewide outings.
- b) They are required to prepare, in coordination with the President or committee, a list of proposed outings for the upcoming calendar year to be presented to the GPAA Chapters’ GPAA membership for approval.
- c) Once approved by the active GPAA voting members, the Outings Coordinator is required to submit the completed forms and/or paperwork to the secretary for filing, GPAA Chapters Department, and GPAA publications information associated with the chapter’s outings and events.

**PUBLIC INFORMATION OFFICER:**

- a) The Public Information Officer is responsible for all online social media content, printed newsletter, GPAA Chapter meeting information (Monthly date, time, location), special announcements (special meetings), and submissions to the GPAA Publications Department. Special events outside the realm of the Outings Coordinator for the GPAA Chapter are required to be submitted as per associated documents for outings and events.
- b) This position also requires outreach to make aware and to educate the public on the prospecting lifestyle. The most effective means have been school demos, outdoor local events, and working with businesses to create a draw for the business and the GPAA chapter.

**Attendance expectations for Chapter officers, committee members, and others deemed as necessary:**

Any officers, Appointee, committee members, or others deemed as necessary for the operation and structure of the chapter whom that without prior approval from the GPAA Chapter membership and, missing more than fifty percent (50%) of chapter regularly scheduled meetings, outings, and events in one calendar year, may by vote of the active GPAA voting members be subject to removal of office.

**Chapter Officers Vacancies:**

The appointment of an interim chapter officer to fill a vacancy in any elected officer(s) or appointed position due to death, approved resignation, removal, disqualification, or otherwise, shall be made by a special election by the general membership. In the event a special meeting is necessary to fill a vacancy, the active GPAA voting members must be notified within 30 days of the intended special meeting. An officer elected as a replacement by a quorum (50% voting membership attending the special meeting) will serve only the remainder of the current term of their predecessor.

In the event that only one individual is nominated for a position in office, they shall be considered elected by a quorum (50% active voting members) show of hands. The raised hands shall be counted and entered into record by the secretary.

**ARTICLE SEVEN- FINANCES:**

The GPAA Member Chapter will always remain free of cost to its active GPAA members. THERE WILL BE NO DUES FOR PARTICIPATION.

*All GPAA Member Chapter activities will be financed by proceeds from the sales of wholesale merchandise, equipment, fundraisers, and/or donations or by forming a not-for-profit entity.*

- a) All elected Chapter Officers shall be signatories on a checking account opened in the GPAA Chapter's name with the exception of any Family Membership officer. A minimum of two officers' signatures will be required on checks issued for payment from the established GPAA Chapter bank account.
  
- b) Any elected officers may authorize expenditures up to \$ \_\_\_\_\_. Expenditures exceeding this amount will require prior authorization to be determined by active GPAA Chapter member's vote at a regularly scheduled GPAA Members Chapter meeting.
  
- c) The Chapter Treasurer shall maintain a Petty Cash Fund in the amount of \$\_\_\_\_\_. These funds shall be used only with prior approval from the Chapter President, Vice President (in the event of the President's absence), or by any two current and active officers (in the event that the President and Vice President are unavailable to approve the expenditures).
  
- d) It is the responsibility of the Chapter President and Vice President to conduct a quarterly audit of the Treasurer's books. This audit will cover all funds (proceeds, financial donations and expenditures) and shall include an accounting of the GPAA Chapter's checking account as well as the petty cash fund. The final report shall be reviewed by the officers and its legitimacy shall be verified by vote and made available to the active GPAA Chapter members.
  
- e) The Chapter members may request volunteer(s) and/or appoint an Audit Committee for the purpose of reviewing financial records as provided by the Chapter Treasurer. This committee will be headed by an appointed Chairperson, which shall be appointed or elected by the Committee members and shall include an even number of additional members all who are valid and active GPAA members.

- f) It shall be the responsibility of the Audit Committee to review, and audit said financial records (to include all funds such as proceeds, financial donations, fundraising profits, and expenditures, as well as the Chapter's checking account) at least quarterly or as deemed necessary.
- g) The Audit Committee Chairman shall have the responsibility to ensure the legitimacy of the financial audit and ensure that signatures are provided by all Committee members to show as proof of accuracy and agreement to such legitimacy.
- h) The Committee Chairman shall report solely and directly to the Chapter membership and officers. After review and audit of the stated financial records has been completed, such records will be made publicly available to the entire GPAA Chapter membership at the next scheduled Chapter membership meeting for discussion and/or final approval/declination into the official records of the Chapter by a majority vote of the general membership.
- i) The Audit Committee members will not have signatory rights to accounts or direct access to funds. If a review of the records by the Audit Committee reveals wrongdoing by the Chapter's elected or appointed officers, it shall be the responsibility of the Audit Committee Chairman, with approval of the Chapter membership, to immediately report their findings to the GPAA Chapters Department for potential investigation and/or disciplinary action as appropriate in accordance with GPAA guidelines and ethics and/or applicable by state and federal law.

## **ARTICLE EIGHT – ADOPTION & AMENDING OF BYLAWS:**

These bylaws shall be adopted and made effective at the time of the first GPAA Chapter meeting. Bylaws, guidelines, and other GPAA Chapter correspondence may need to be amended periodically to facilitate changes that may arise.

If there is sound reasoning for the modification or amendment of these bylaws, a Bylaws Committee shall be formed. Working with GPAA Chapter members and Officers, the modification or amendment, when completed, will require a 2/3 in-favor GPAA member vote (with the exception of spelling or grammatical changes).

Chapter bylaws and guidelines shall be made readily available to all members at every GPAA Chapter meeting along with a copy of the current minutes. Reproductions fees may apply. We highly recommend that an online copy of these and amended GPAA Chapter Bylaws be available for members to review and download as they deem necessary. If the chapter creates this recommendation, a link to the location of the Bylaws will be made available to all GPAA members within the chapter.

The Committee Chairperson and the Chapter President are required to submit a signed copy of proposed modifications and amendments to the GPAA Chapters Department, making GPAA aware of the proposed changes in an effort to avoid conflicts of interest with GPAA Chapters Program requirements.

No bylaws vote by GPAA members for approval and adoption will be held until a full review of the proposed modifications and amendments are completed by GPAA Chapters Department. If the GPAA Chapter is functioning as a nonprofit entity, once approved by the GPAA Chapters Department the officers or Chairman of the Board of Directors will immediately and as required by federal and state laws will update all federal and state bylaw documents.



**ARTICLE NINE – REMOVAL AND REINSTATEMENT OF OFFICERS AND MEMBERS**  
**TERMINATION /SUSPENSION FROM GPAA CHAPTER PARTICIPATION:**

The Chapter Officers and members have the right to suspend or expel a member of the Chapter for “just cause” after reviewing all evidence and holding an appropriate hearing before the officers. The termination/suspension shall be determined based upon an affirmative majority of all five Required Elected Officers.

The term “just cause” consists of:

- (a) Member conduct that constitutes a conflict of interest within the Chapter (including but not limited to GPAA Chapter, Gold Prospectors Association of America as a whole, or any member of either’s defamation).
- (b) A member’s conviction concerning violations of Federal, State, or private lands.
- (c) Acts of reckless endangerment against other persons/property.
- (d) Violation of Code of Ethics

**No termination or suspension of a GPAA Chapter member shall be effective unless:**

- a) The member is given a 30-day written notice of the intent to terminate or suspend participation with the Chapter.
- b) Notice is delivered personally or sent via certified mail to the member’s current address within the Chapter member’s roster.
- c) Notice shall result in a determination procedure by the Chapter Officers to the termination/suspension of a member. The member in question shall be given to opportunity to be heard by the selected committee and/or officers, either verbally or in writing, five business days before the effective date of the proposed action.
- d) If the member is removed from the chapter the Secretary and Membership Chairperson shall update the chapter roster to reflect the change in membership and notify the GPAA Chapters Department.

GPAA Chapter termination or suspension does not revoke the member’s GPAA membership benefits beyond the ability to affiliate with a GPAA Chapter.

**Examples of required evidence:**

- a) physical or mental harm or anguish,
- b) destruction or theft of members personal property,
- c) destruction of Federal or State managed lands or private property.

**Removal of officers:**

Any officer may be removed in accordance with ARTICLE THREE MEMBERS. This shall only be done to accommodate the best interest of the Chapter in association with the GPAA. Such removal shall be done without prejudice to the rights outlined in these bylaws.

**Officer or Member Resignation:**

Upon member resignation and disassociation with the chapter, the Secretary is responsible for creating a written notice to the GPAA Chapters Department informing that the member has resigned and disassociated with the chapter.

Any member, officer or appointee is eligible to resign by submitting a letter of resignation to the Chapter Secretary and the GPAA Chapters Department unless a formal separation or termination process has begun. Once the formal process has begun, only the GPAA Chapters Department shall have the authority to accept resignation to end the process.

Resignation will only be honored if the individual does not owe any monies to the Chapter for chapter- related expenditures (from the Chapters' treasury and/or Chapter petty cash). A resignation does not negate the obligation of promptly paying any assessments or other charges which remain accrued and unpaid at the time of resignation. Resigning Chapter officers are not eligible to hold office in any GPAA Chapter for a period of three years from the date of approved resignation without written approval from the GPAA Chapters Department.

**Chapter Member Reinstatement:**

A written request to reinstate participation and affiliation must be submitted in writing to the Chapter Secretary. The reinstatement consideration will go to the officers and will be voted upon. Reinstatement will be determined based upon an affirmative majority ruling. There may be terms associated with the reinstatement which the officers may deem appropriate and or necessary to reinstate the member's participation within the Chapter.

**ARTICLE TEN – SEVERABILITY:**

In the event that any Article, Section, or Resolution of these Agreements, in whole or in part, is found by a court of competent jurisdiction to be invalid, all other Articles, Sections, or Resolutions shall be severable and shall continue in full force and effect.

## **APPENDIX**

### **Miscellaneous:**

GPAA Chapter events on LDMA properties may be considered. Call LDMA Administration at 800-551-9707 for consideration. These requests will be determined on a case-by-case basis.

A GPAA State Director or may assist the GPAA Chapter in operations and functions at the GPAA chapter's discretion.

All forms within these GPAA Chapter bylaws that require detailed information and/or signatures shall be mailed upon completion to the GPAA Chapters Department. This is generally achievable once the officers have been voted into office and the GPAA Chapter has outlined the Chapter's expectations.

### **SUSTAINABLE CHAPTER REVENUE:**

Sustainable Chapter revenue may be obtained through the sales and profit of wholesale merchandise, membership drives, raffles (where allowed by law), donations, the hosting of events, and educational fundraising activities.

To facilitate fundraising activities, Chapters may choose to form as either a local licensed business or as a federal/state recognized non-profit organization. The Chapter members and officers will be responsible to perform due diligence to agree on the structure that offers the greatest benefits to the members and the chapter for growth and sustainable income.

As each state and local area have different structures in formation of businesses the GPAA Chapters Department is not able to offer direction as to which would be of the greatest benefit to the membership based upon state requirements.

### **Nonprofit:**

A chapter may choose to implement the benefits and the legal requirements of a federal and state-recognized nonprofit organization. If this is the decided direction in which the GPAA member chapter chooses to pursue we can offer you ideas based upon other nonprofit GPAA member chapters and best practices.

Creating a nonprofit for the chapter has the advantage of fundraising from several different opportunities. The most common activity within GPAA Member Chapters is meeting raffles. Local businesses donate or sell discount goods or services to the chapter to be used as a raffle fundraiser. The Chapter also purchases equipment with chapter points directly through the GPAA for raffles.

State of the chapter location will have definitive laws regulating raffles as they are considered Gaming and, in most states, this type of gaming is regulated by the state's gaming commission, this is the same commission that oversees all gambling in the state.

The IRS is very clear in Tax-Exempt organizations and gaming (fundraising through raffles and other like methods) and has created a very comprehensive document that explains from the federal level what can and cannot be considered and implemented. Although this document does not discuss the two different types of the widely used GPAA Chapter Nonprofit formations 501(c) 3 and 7 it does offer the most comprehensive understanding of the regulations. This document can be found by following this link. <https://www.irs.gov/pub/irs-pdf/p3079.pdf>

It is also good to know that a nonprofit and gaming is for the majority regulated by the state. Each state has gaming laws and regulations online. Search for *your state gaming or raffle laws*.

### **Choosing the right 501 (c):**

*This section contains direct links to the IRS.*

The 501(c)(3) states that it is for the formation of nonprofit status for the following categories: Religious, **Educational**, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations. The IRS refers to 501(c)(3) as chartable.

GPAA Chapters choosing the (c) (3) are educational and charitable in nature and generally follow the mission and purpose statements for the GPAA Chapter Department.

### **IRS Exemption Requirements - 501(c)(3) Organizations:**

IRS Link <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations>

To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be [organized](#) and [operated](#) exclusively for [exempt purposes](#) outlined in section 501(c)(3), and none of its earnings may [insure](#) to any private shareholder or individual. In addition, it may not be an [action organization](#), i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

Organizations described in section 501(c)(3) are commonly referred to as **charitable organizations**. Organizations described in section 501(c)(3), other than testing for public safety organizations, are eligible to receive tax-deductible contributions in accordance with Code section 170.

The organization must not be organized or operated for the benefit of [private interests](#), and no part of section 501(c)(3) organization's net earnings may inure to the benefit of any private shareholder or individual. If the organization engages in an [excess benefit transaction](#) with a person having substantial influence over the organization, an [excise tax](#) may be imposed on the person and any organization managers agreeing to the transaction.

Section 501(c)(3) organizations are restricted in how much political and legislative (*lobbying*) activities they may conduct. For a detailed discussion, see [Political and Lobbying Activities](#). For more information about lobbying activities by charities, see the article [Lobbying Issues PDF](#); for more information about political activities of charities, see the FY-2002 CPE topic [Election Year Issues PDF](#).

#### 501(c)(7) **Social Clubs:**

IRS Link <https://www.irs.gov/charities-non-profits/other-non-profits/social-clubs>

Social clubs may be exempt from federal income tax if they meet the requirements of section 501(c)(7) of the Internal Revenue Code. Although they are generally exempt from tax, social clubs are subject to tax on their unrelated business income (see below), which includes [income from nonmembers PDF](#). In addition to being taxed on unrelated income, a social club may lose its exempt status if it receives too much unrelated income. See "Effect of Nonmember Income" below.

#### **Exemption Requirements**

- The club must be organized for [exempt purposes](#).
- The club must provide an opportunity for [personal contact](#) among members and [membership must be limited](#).
- The club must be [supported by membership](#) fees, dues, and assessments.
- The organization's net [earnings may not inure](#) to the benefit of any person having a personal and private interest in its activities.
- If the club exceeds [safe harbor guidelines](#) for nonmember and investment income, the facts and circumstances must show that it is organized substantially for exempt purposes. See "Effect of Nonmember Income on Exempt Status" below for more information.
- The club may receive de minimis income from [nontraditional sources](#).
- The club's governing instrument may not contain a provision that provides for discrimination against any person on the basis of race, color, or religion.

## **Effect of Nonmember Income on Exempt Status**

A social club may receive up to 35 percent of its gross receipts from [nonmember sources PDF](#), including investment income. Within the 35 percent amount, no more than 15 percent of gross receipts may be derived from nonmember use of club facilities and services. Where the permitted levels of nonmember income are exceeded, all facts and circumstances will be considered in determining whether the club continues to qualify for exemption.

*Both examples above are not the complete requirements for operations. However, we believe that there is ample information to open a discussion with other GPAA members within the chapter to begin researching the best avenue.*

## **Board of Directors (BOD):**

Federal and state will/may require a sitting BOD to oversee and facilitate the structure and actions of certain types of nonprofits. If required by federal and state law that the nonprofit must have a sitting BOD, we recommend the following.

### **Choose the Chapter Board of Directors wisely.**

Understand that a BOD should be considered as a lifetime appointment. BOD members should be chosen with a great deal of confidence in their abilities and that the members are fully aware of the nature of sitting on the BOD.

As a lifetime position, all BOD members are still subject to all GPAA officer rules and regulations concerning attendance, resignation, retirement, misconduct, and death.

BOD members are not responsible for the day-to-day activities of the GPAA Member Chapter. Their responsibilities are the oversight and direction of the chapter within the guidelines of the nonprofit structure.

The GPAA does not recommend that officers sit on or are in control of the board. Officers are elected positions in the management capacity of the day-to-day operations of the chapter and are subject to membership voting. In states which require that all members of the BOD be on file this will constitute updates to the chapter's nonprofit documentation filed with each election.

The BOD reports to all chapter members and officers and has the power to question any and all proposed financial or structural changes within the chapter that may affect the nonprofit status. If the BOD is disregarded in their findings and changes, States require the BOD to report findings to the federal and state agencies. Conversely, the BOD can bring forward structural changes to better facilitate the nonprofit and the protection of the nonprofit status. These must be explained to the voting GPAA membership before seeking a vote for accepting the changes and will be responsible for updating and reporting to the chapter that all federal and state-required recording has been completed.