HOW TO ORGANIZE
A
SNOWMOBILE CLUB

MAINE BUREAU of PARKS & RECREATION
How to Organize a Snowmobile Club

It only takes one person to operate a snowmobile, but much can be accomplished when snowmobilers work together. The accomplishments can be achieved through an organization when all take an active part in making the group a success.

PRELIMINARY STEPS TO ORGANIZATION

When you have secured the interest and support of a nucleus of people who are willing to take an active part in the development of a local club, hold an informal planning meeting. At this meeting, discuss and determine the purposes of the club, and the reasons for its formation. Put specific objectives of the club in writing.

Examples of possible objectives are as follows:

To encourage a concern for the environment

To encourage the safe usage of snowmobiles

To improve the image of snowmobile users by educating and encouraging users in the proper, considerate and courteous use of snowmobiles.

To encourage respect for the rights of others

To encourage the use of snowmobiles as a family activity

To encourage properly organized snowmobile trips, outings, etc.

To cooperate with local police, fire and Civil Defense agencies, and with other community organizations, by providing snowmobiles for emergency duty

To work with government officials and others toward mutually acceptable and satisfactory rules by which to operate your snowmobiles

At this pre-organizational meeting, it should be determined when and where the first public meeting will be held. Also, decide the method to be used in notifying potential club members (in many cases, the general public would be interested in this information).

PROCEDURE FOR FIRST PUBLIC MEETING

1. Inform the people in attendance of the background activity which led to this meeting.

2. Elect a chairman pro-tem to preside over the meeting.

3. Take a vote of those present to determine if they are in agreement that a snowmobile club should be formed in the area or town.
4. Ask for suggestions regarding the election of necessary officers. We would recommend the following: President, Vice President, Secretary, and Treasurer. There should also be a Board of Directors consisting of an odd number (usually seven, nine or eleven), which should include the elected officers.

5. After the above steps have been taken, elect the slate of officers decided upon by the group. Take nominations from the floor, and vote separately on each candidate for each office. It is not absolutely necessary to elect the entire Board of Directors at this initial meeting unless you so desire. It might be advisable to wait until the next meeting and secure names in the meantime of people who were unable to attend the first meeting. If your club is to include several areas or communities, we suggest that your Board of Directors include representation from as many of these areas as possible.

6. A By-Laws Committee should be either appointed by the President or elected by the group at this meeting. This committee can review and revise the sample constitution included in this booklet, making changes they feel necessary to adapt it to your particular group. It would be advantageous if these revisions were completed before the next meeting, so that copies may be distributed to all members present at that meeting. They should be voted upon by the membership for official approval.

7. At this time, the meeting can be opened for general discussion. Topics for discussion might range from possible club-sponsored activities such as day trips, cookouts, overnight and weekend camping trips to cooperation with local authorities on community projects, development of a trails system, and development of a safety education program.

8. Some suggestions for committees which your group may want to appoint are as follows:

- **Membership** - keeps track of paid membership, recruits new members
- **Legislative** - follows development in the Legislature, attends hearings
- **Entertainment** - obtains speakers, plans programs for meetings
- **Special Events** - plans special club events such as trips, picnics
- **Public Relations** - maintains contact with community officials, local and state organizations and landowners
- **Publicity** - keeps members and the public informed on meeting dates, activities, etc.
- **Disciplinary** - discusses and acts upon individual member violations of rules and regulations
- **Refreshments** - obtains refreshments for meetings
- **Junior Programs** - plans special events for the younger
members.

Trails - supervises the planning, layout, use and maintenance of trails as well as obtaining permission from landowners before establishing trail

Telephone - to receive and make calls when things develop and require immediate attention

It is also suggested that one or more trailmasters be appointed to lead the group on club-sponsored trips

9. Determine the frequency of your meetings. We suggest that there be at least one meeting each month (preferably one every two weeks during the season). During the off-season months, May through September, you may want to meet only informally to discuss programs for the coming season. Club picnics during these months are a good way to keep the membership interested during the off-season. It is also suggested that the Directors meet periodically throughout the summer even if the club doesn't.

10. A determination should be made regarding dues for your organization. The amount can vary, usually between $5.00 and $10.00 per year for a family membership, depending on the size of the group, the extent of intended activities, etc. It is also advisable to determine what affiliation, if any, the club will have before voting on the amount of dues.

11. When naming your club, be original and imaginative. The name can reflect the spirit of your organization, the geographical area, or many other factors. It is not wise, however, to use the name of a machine in the club name, even if all members drive the same brand, as this could prohibit prospective members who own a different brand.

One approach to finding a name for the club is to ask those present at the first meeting to submit some suggestions at the next meeting, and to make a selection at that time.
SAMPLE BY-LAWS

(name of club)

ARTICLE I
Name and Location

1. The name of this corporation is ____________________________.

Its location and principal office shall be at ________________ in the County of __________________ and State of Maine.

ARTICLE II
Purposes and Powers

Section 1. The purposes of this corporation shall be social in nature, to-wit: To own, maintain and operate social and recreational facilities, including but not limited to clubhouses and snowmobile trails, for the use and benefit of its members; to encourage good fellowship among its members; to conduct snowmobile trail rides, and snowmobile races in accord with applicable law and regulations; to encourage safety and courtesy in snowmobile riding; and generally in all ways to advance and improve the great outdoor winter sport of snowmobile riding in all its forms.

To these ends the corporation shall be empowered:

To acquire by gift or purchase, whether in trust or otherwise, to hold sell, convey, assign, mortgage, or lease
any property, real or personal, necessary or incidental to
the accomplishment of any of its purposes; to solicit funds,
subscriptions, pledges, grants and bequests for its said pur-
poses; to borrow money and issue evidence of indebtedness,
and to secure loans by mortgage, pledge or other lien, all
in furtherance of its said purposes; to apply for obtain and
contract with any governmental agency or private foundation for
grants, direct loans or other financial aid and to make any
other contract in furtherance of its said purposes; and to
take such other and further actions as may be necessary for
the accomplishment of its said purposes and not inconsistent
with the specific limitations of its powers hereinafter recited.

PROVIDED, HOWEVER, that the corporation shall not be
operated for profit and no part of the net earnings of the cor-
poration shall inure to the benefits of, or be distributable to,
its members, trustees, officers or other private persons, part-
nerships, or corporations; except that the corporation shall be
authorized and empowered to pay reasonable compensation for
services rendered and to make payments and distributions in
furtherance of its purposes hereinbefore set forth.

PROVIDED, FURTHER, that no substantial part of the activ-
ities of the corporation shall be the carrying on of propa-
ganda, or otherwise attempting to influence legislation, and
the corporation shall not participate in, or intervene in
(including the publishing or distribution of statements) any
political campaign on behalf of any candidate for public office.

PROVIDED, FURTHER, that notwithstanding any other provision
of these articles, the corporation shall not carry on any other
activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c) (7) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Provided, further, that upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (7) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Superior Court of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.
ARTICLE III
Membership; Dues

1. Initial Members. Membership in this corporation shall consist initially of the incorporators whose signatures appear on the certificate of organization.

2. Membership is open to any person of good character and in sympathy with the purposes of the corporation upon application to the secretary and payment of one year's dues.

3. Membership shall consist of two classes:
   a. Family membership shall include husband and wife and their children under 18 years of age.
   b. Associate members.

4. Powers. Members (12 years and older) shall be eligible to vote at all meetings of, and to hold office in, this corporation.

5. The Board of Directors shall establish the qualifications and rights of Associate Members.

6. Resignation, removal. If a member, while operating a snowmobile, violates any law or regulation, or commits any act which could reflect on the integrity of the corporation, the membership may be terminated by a majority vote of the general membership or if his annual dues remain unpaid sixty (60) days after bills therefor are mailed out by the Treasurer.

7. Dues. The annual dues for members shall be _______ dollars ($_______) per year, payable on or before the _______________________ day of ________________ in each year.

   (Suggest October 1 to September 30)
ARTICLE IV

Meetings of Membership

1. Annual meetings. The annual meeting of this corporation for the purpose of electing directors and officers shall be held on the _________ day of _________ in each year, except that if such day is a Sunday or legal holiday, such meeting shall be held on the business day next following. Such meeting shall be held at some place within the City/Town of ___________________________ designated by the President.

2. Special Meetings. Special meetings of the membership may be called by the President at any time and shall be called by him at the written request of five (5) members stating the object thereof. Upon receipt of such request the President shall forthwith cause the Secretary to issue notice to the membership stating the time, place and object of such special meeting, which shall be held not later than twenty-one (21) days after receipt by the President of request therefor. No business not related to the object stated in the request shall be transacted thereat.

3. Quorum. A quorum for voting purposes at any meeting of the membership shall be one-fifth (1/5) of the membership at the time of the call of the meeting; however, a less interest may adjourn the meeting.

4. Proxies. No voting by proxy shall be permitted at any meeting of the corporation.

5. Notice. Written notice of every meeting of the membership shall be mailed by the Clerk to every member at his
address last appearing in the corporate records no less than fourteen (14) days before the date fixed for such meeting. Notice shall be deemed given when mailed.

ARTICLE V

Officers

1. Number and designation. The management and administration of the affairs of this corporation shall be entrusted to four (4) officers, viz: President, Vice-President, Secretary and Treasurer.

2. President. The President shall be the chief executive and administrative officer of the corporation. He shall preside at all meetings of the corporation.

3. Vice-President. The Vice-President shall, in the absence of or disability of the President, have and exercise all the powers of the President. He shall have such other and further duties as the President may from time to time prescribe.

4. Secretary. The Secretary shall keep an accurate record of the meetings of this corporation. He shall give the notice required by these by-laws of all such meetings. He shall notify persons of their election to or removal from membership, and shall conduct the formal correspondence of this corporation. He shall have custody of the minute book and other records of this corporation.

5. Treasurer. The Treasurer shall keep the accounts and have charge of the funds of this corporation. He shall render a written report of the financial condition of this corporation to the membership at its annual meeting.

6. Committees; absences. The President may from time
to time appoint from the membership such committees as in his judgement shall be necessary to further the purposes of this corporation. In case of the absence or inability to act of either the Secretary of the corporation or the Treasurer, the President may appoint a Secretary or Treasurer pro tem.

7. Election of officers. The officers of this corporation shall be elected by the membership at the annual meeting of this corporation. From the nominees for each office the one receiving the highest number of votes cast shall assume that office. If there is no more than one nominee for each office, the President may waive the requirement of formal balloting and direct the Secretary to cast one ballot for the nominee. The terms of the several officers shall be one year and until their successors are elected. A nominating committee of at least three persons shall be appointed by the President one month prior to the annual meeting with the approval of the Board of Directors.

ARTICLE VI

Directors

1. Number, how elected; term. The governing body of this corporation shall be a Board of Directors composed of seven (7) persons. Of those elected initially to serve as directors, three shall be elected for a term of three years, two shall be elected for a term of two years and two shall be elected for a term of one year. Thereafter all directors shall be elected at the annual meeting of the corporation for a term of three years and until their successors are elected. In the event of a vacancy on the Board, the remain-
ing directors may choose a person from the membership of the corporation to fill the unexpired term.

2. **Officers of the Board.** Immediately following the annual meeting of the corporation the Board of Directors shall meet and elect from their number a Chairman and a Secretary. The Chairman shall preside at all meetings of the Board and the Secretary shall keep the minutes of such meetings.

3. **Meetings.** The Directors shall meet at the call of the Chairman of the Board. Special meetings shall be called by the Chairman at the written request of three (3) members stating the object thereof. Upon receipt of such request the Chairman shall cause the Secretary to forthwith issue notice to the Directors stating the time, place and object of such special meeting, which shall be held not later than five (5) days after receipt by the Chairman of request therefor. No business not related to the object stated in the request shall be transacted thereat.

4. **Quorum.** A quorum for voting purposes at any meeting of the Directors shall be three (3) members; however, a less interest may adjourn the meeting.

5. **Proxies.** No voting by proxies shall be allowed at any meeting of the Directors.

6. **Notice.** Written or telephone notice of all meetings of the Directors shall be given by the Secretary to each Director at least five (5) days before the date fixed for such meeting. Notice shall be deemed given when mailed.
ARTICLE VII

Finances; Execution of Documents

1. Finances. All corporate funds shall be deposited in such bank as may from time to time be designated by the Board of Directors. Corporate checks shall be signed by the Treasurer.

2. Execution of documents. When authorized by the Board of Directors, the President shall execute all documents on behalf of this corporation, except corporate checks.

ARTICLE VIII

Affiliation

1. This corporation shall be affiliated with the Maine Snowmobile Association (optional, but suggested).

ARTICLE IX

Seal

1. The seal of this corporation shall be a flat circular metal die with the name of the corporation, the year of its incorporation, and the work "MAINE" incised thereon.

ARTICLE X

Amendments

The certificate of organization of this corporation and these by-laws may be amended by a two-thirds vote of the membership, provided the substance of such amendment has been included in the notice of the meeting.
Incorporation of Snowmobile Clubs

Incorporation of snowmobile clubs may not seem too important at first. However, an incorporated club has LIMITED LIABILITY which protects its members from being personally responsible for the debts or activities of the club. It also has a separate legal existence and as a result can exercise most of the powers that are available to individual persons. The club can own property, contract mortgages, and remains in existence irrespective of what happens to individual members.

The non-profit corporation is available in most states for the "not-for-profit" organizations. This type of incorporation avoids much of the financial burden of other types of incorporation and is the most favored by clubs operated not for profit. If members of your club wish to explore incorporation, you may want to consult an attorney. The Maine Snowmobile Association has materials available relating to the procedures that must be followed to become incorporated. By all means look into this area soon, all clubs should consider incorporation for the protection of its officers and members.
Club qualifications for exemption

The Internal Revenue Code allows an exemption from federal income taxes for those organizations, whether corporations or not, which are generally described as "non-profit" organizations. Most snowmobile clubs qualify as tax exempt under Sec. 501 (c) (7) of the Code because they fit the following definition of a "......club organized and operated exclusively for pleasure, recreation, and other non-profitable purposes, whose net earnings do not benefit any private shareholder." It is essential that clubs file for tax exemption. Tax exemption is not automatic. Failure to file for an exemption can mean loss of the exemption to which the club might have been entitled had the club filed properly.

Tax status of club income

A club which meets the definition above files Form 1025 to claim exempt status. Even though the IRS grants tax exemption status, certain income, called "unrelated business income", can still be subject to tax. The general rule the IRS will apply to determine whether business income is "related" (and therefore exempt) is to determine whether the income is from sporadic (occasional) activity and whether the income contributes importantly to the accomplishment of the exempt purpose of the club, (which is usually to engage in "social activities for snowmobilers"). Only the IRS, in reviewing the exemption application, can make the determination as to whether business income is related (and non-taxable), or related (and taxable). For a social club, examples of exempt income are dues, fees, (when paid by members for the use of club facilities), income from an occasional public
supper or from a food concession at a fair. An example of taxable income is the income from a race track run on a regular basis, even if it is open only a few weeks of the year. It is likely that most Maine snowmobile clubs will be tax exempt and will not have any "unrelated" income, but there may be exceptions if the club engages in an activity which regularly produces income. Only the IRS can determine this, however, and the club will be notified of this determination as well as what forms must be filled out to comply to the regulations for the status given. If the club is ruled to be exempt, an annual information return (Form 990) still must be filed. If the club is not exempt it will have to file the regular corporate return (Form 1120). There are heavy penalties for failure to file either an information return or a regular return.

How to file for exemption

Following are step by step procedures and suggestions for filing Form 1025, the exemption application:

1. File for an Employer Identification Number if you do not have one. (Many clubs do, because banks often require one for record-keeping purposes.) Ask for form SS-4.

2. Secure three copies of Form 1025. Two copies must be filed. You should keep the third copy for your records.

Mail the two copies to: Exempt Organizations Divisions Internal Revenue Service John F. Kennedy Building P.O. Box 9122, Room E-100-D Boston, Massachusetts 02203

(Mailing to this address should give faster service than mailing to the address mentioned on Form 1025 itself.)

3. Answer all questions on page 1. If the questions do not apply to your club, so state, but do not leave any
blank spaces or your application will not be processed.
Be especially careful to fully explain question 7k, if
your answer to the question is yes. This is the section
which helps determine whether your club has related (non-
taxable), or unrelated (taxable) income.

4. Be sure to attached duplicates of the items requested in
9, on page 2. For lines 9c and 9d, if your club has
been in existence for more than three years, you need
only include the financial data requested for three.
For line 9e, all you need write is this phrase, "social
activities for snowmobilers".

Where to go for more help

If additional help is needed, you may call or write to:

The Federal Building
P.O. Box 1964
Augusta, Maine 04330
Telephone 622-6171 Ext. 437

All forms and returns mentioned in these instructions may be
obtained from your nearest IRS office, or you may write or
call the above address and the forms will be mailed to you.
FOR FURTHER INFORMATION, CONTACT:

SUPERVISOR of SNOWMOBILE PROGRAM
BUREAU of PARKS & RECREATION
STATE OFFICE BUILDING
AUGUSTA, MAINE 04330