

## PREAMBLE

- I. The Recreation Centers of Sun City West, Inc. (herein after referred to as the Association) was formed under the laws of the State of Arizona as a non-profit corporation for the purpose of owning, operating, maintaining, and preserving facilities which enhance the recreational, social and leisure interests of its membership.
- II. Article VIII of the Association Bylaws, the RR&Ps and the Policy Statements provide general guidelines for the establishment and operations of Chartered Clubs.

**NOTE: EACH CHARTERED CLUB WILL BE GIVEN ONE (1) COPY OF THE RR&Ps WHICH MUST BE RETAINED AND PASSED ON TO ALL FUTURE BOARD MEMBERS. ADDITIONAL COPIES WILL BE AVAILABLE FOR \$20 EACH AND MADE AVAILABLE TO CLUB MEMBERSHIP.**

- A. A Chartered Club is a group of Recreation Centers Card Holders, Associate Card Holders and Tenant Activity Card Holders who have joined together in the pursuit of a particular recreational, social or leisure interest. Chartered Clubs are sponsored by the Association and are required to comply with the RR&Ps established by the Association. Club officers and club board members are obliged to comply with the letter, spirit and intent of the "Rules, Regulations and Procedures". The Chartered Clubs are granted certain priorities for the use of the facilities and are not required to pay rental fees for space that is assigned for regular club activities. They are also provided maintenance support, insurance coverage and administrative assistance and guidance.
- B. The Chartered Clubs must comply with the Internal Revenue Tax Exempt Code 501 C-4 that governs the Association and any tax-exempt codes applicable to a particular club.
- C. Chartered Clubs shall not endorse or support causes/propositions or candidates for elective office other than their own internal elections. Solicitation of signatures, campaigning, endorsing, passing of election literature, addressing the members, or any other non-club election activity is prohibited during club meetings and functions. Outside the club environment, Chartered Club

members, as individuals, are free to support any cause or candidate of their choosing. For additional information or clarification, please see Policy L04.

- D. The General Manager may recommend to the Governing Board suitable sanctions up to and including revocation of the charter of any club that violates the provisions of the RR&Ps or fails to comply with stipulations of the applicable Arizona and Internal Revenue Tax Exempt Codes.
  
- E. The General Manager has the authority to impose a late fee when clubs fail to submit required reports by the established due date. Additional sanctions including temporary closure of a club's facilities may be imposed by the General Manager for successive violations.
  
- F. Waivers:
  - 1. Any club which cannot reasonably comply with any part of these RR&Ps may request in writing, an exemption from the Governing Board.
  - 2. The club will first present the proposed waiver to its members where it must be approved by a vote as provided for in the club's bylaws.
  - 3. The club president shall forward the proposed waiver, along with a letter of explanation, to the Association's General Manager.
  - 4. The General Manager shall analyze the request, using input from his staff and the Chartered Clubs Committee, and then forward the proposed waiver to the Governing Board with the recommendation for action.
  - 5. The Governing Board will place the request on the agenda for its next regularly scheduled meeting. The secretary of the Governing Board will present a motion to grant the proposed waiver after which it will be publicly discussed.
  - 6. After any Governing Board action, the secretary of the Governing Board will inform the requesting club of the result.

## DEFINITIONS

**ANNUAL MEETING** is a general meeting of the club's membership at which club's board members are elected, providing a quorum has been established. The date, time and place of the annual meeting shall be posted and announced at all club activities during the month preceding the annual meeting.

**ACCIDENT/INCIDENT/INJURY REPORT (Form RC20-5)** describes the event and the situation at the time of the event.

**ASSOCIATE MEMBER** shall mean and refer to any non-titleholder resident of Sun City West who resides with an Owner Member and meets the other requirements set forth in Section 2.3 of the Association's Bylaws.

**ASSOCIATE MEMBER CARD** shall mean and refer to the card issued to Associate Members who reside with an Owner Member. This card permits access to the Association's facilities and participation in the related activities in accordance with the Association Governing Documents.

**ASSOCIATION GOVERNING DOCUMENTS** shall mean and refer to:

Covenants, Conditions and Restrictions (CC&R's)

Articles of Incorporation for Recreation Centers of Sun City West, Inc.

Association Bylaws

Facilities Agreements and Facilities Use Agreements

Policy Statements of the Governing Board

Rules, Regulations and Procedures (RR&Ps) for Chartered Clubs

**ASSOCIATION OR RECREATION CENTERS** shall mean and refer to the Recreation Centers of Sun City West, Inc. an Arizona non-profit corporation.

**CHARTERED CLUB** shall mean and refer to a group of Recreation Centers card holders who have joined together in the pursuit of a particular recreational, social or leisure field of interest. Chartered Clubs are sponsored by the Association and are required to comply with the Association's Governing Documents.

**CHARTERED CLUBS COMMITTEE** is a standing committee formed by the Governing Board to advise the General Manager and the Governing Board on matters related to Chartered Club operations. Members also serve as liaisons to Chartered Clubs.

**CHARTERED CLUB COUNCIL** is a group formed by clubs sharing facilities or interests to coordinate their activities.

**CHARTERED CLUB GUEST** is one who participates in any club activity using equipment and/or supplies within the club.

**CHARTERED CLUB LIAISON** is a member of the Chartered Clubs Committee who is assigned a group of clubs and serves as a communication link between the individual clubs and the Association staff and the Governing Board.

**CHARTERED CLUB VISITOR** is one who observes or tours a club activity not using equipment and/or supplies within the club.

**CHARTERED CLUBS' MEETINGS** are open to all club members for the purpose of reviewing club operations and conducting business. Voting may be done in person, by paper ballot, or any generally accepted other technologically assisted solution and retained in club records.

**CLUB ACTIVITIES** are club-sponsored and scheduled activities/events that club members attend and in which club members participate.

**COMMERCIAL/MASS PRODUCTION** is the preparation, making, and marketing of products with sole emphasis on saleability, profit, or success.

**CONTENT MANAGER** is appointed by each Chartered Club President and is responsible for its club website on the Sun City West Chartered Clubs website, scwclubs.com.

**DISPLAYS** are windows, cases and cabinets within Chartered Clubs or other Association approved locations for the display of Sun City West works of art and or activities.

**FACILITY SUPERVISOR** is the person responsible for the facilities in a specific recreation center.

**GENERAL MANAGER** shall mean and refer to the person appointed by the Governing Board to manage and administer the operations of the Association in accordance with the Association's Governing Documents.

**GOVERNING BOARD OF DIRECTORS OR GOVERNING BOARD** shall mean and refer to the totality of the Directors elected by the Owner Members or appointed by the Governing Board in accordance with the Association Bylaws to establish the policies and oversee the operation of the Association pursuant to the Association's Governing Documents as now in effect or duly adopted or amended.

**GROSS RECEIPTS** are defined as the revenues received by the organization during its annual accounting period from all sources without reduction for any costs or expenses.

**OWNER MEMBER(S)** shall mean and refer to titleholder(s) of record who also meet the other requirements set forth in Section 2.2 of the Association's Bylaws.

**OWNER MEMBER CARD** shall mean and refer to the card issued by the Association to an Owner Member to permit access to the Association's facilities and participation in the related activities, including voting in the Association's elections, in accordance with the Association's Governing Documents.

**QUORUM** is the minimum attendance at a club membership meeting necessary to conduct elections, to approve bylaws, to approve budgets or to conduct other club business that requires a vote. A quorum requirement cannot be less than 20 members or more than 100 members.

**RECIPROCITY** with Association prior approval, Chartered Clubs may share like facilities and activities with like communities and/or groups without paying a fee.

**RECREATION ACTIVITIES MANAGER** is the person appointed by the General Manager who oversees Chartered Club Activities and is the staff representative to the Governing Board's Chartered Clubs Committee.

**RECREATION CENTERS OF SUN CITY WEST, INC.** is an Arizona Non-Profit Corporation that has been formed under the laws of the State of Arizona for the purpose of owning, operating, maintaining and preserving facilities which enhance the recreational, social and leisure interests of its members.

**RECREATIONAL FACILITIES** shall mean and refer to all real and personal property, owned by the Association for the common use and enjoyment of the membership.

**RESIDENT** shall mean and refer to any person who resides in a qualified residential unit in Sun City West. No person under nineteen (19) years of age shall reside in a residential unit.

**RULES, REGULATIONS AND PROCEDURES FOR CHARTERED CLUBS** are the guidelines and directions for all the Chartered Clubs' operations including sample club bylaws, reporting procedures and forms.

**SPECIAL EVENTS** are events that are open to non-resident participants.

**TENANT(S)** shall mean and refer to person(s) leasing or renting a residential unit in Sun City West, at least one (1) of whom must be fifty-five (55) years of age or older. No person under nineteen (19) years of age shall reside in a residential unit.

**TENANT ACTIVITY CARD** shall mean and refer to the card issued by the Association to a tenant of a residential unit to permit the tenant access to the Association's facilities, and participation in the related activities in accordance with the Association's Governing Documents.

## Chapter 1

### Line of Authority/Responsibilities

- I. The General Manager has the exclusive right to grant a charter for a new Chartered Club. All the RR&Ps contained herein are based upon Article VIII of the Association's Bylaws and the Articles of Incorporation.
- II. The Association's Recreation Activities Manager and staff are responsible for coordinating and implementing the RR&Ps for Chartered Clubs, allocating facility space and assisting the clubs with operational/financial concerns.
- III. The Recreation Activities Manager is responsible for assisting clubs with facility scheduling, special programs, and club business. The Recreation Activities Manager is the focal point for coordinating all club and recreation matters.
- IV. Chartered Clubs Committee at the request of the Governing Board or General Manager, may serve as liaisons to investigate and make recommendations regarding Chartered Clubs' administrative, personnel, financial or facility usage matters. The committee will also investigate and make recommendations for updating and changing the RR&Ps. This Committee, in conjunction with the Properties and Budget/Finance Committees will review requests the General Manager receives for capital additions or modifications to club facilities.
- V. Chartered Club Liaisons shall review and understand the Rules, Regulations & Procedures for Chartered Clubs to proactively assess Chartered Clubs adherence to the RR&Ps. Chartered Club Councils are exempt from Chartered Club liaisons.
- VI. The club's board members are elected in accordance with the club's bylaws. The club's board is responsible for the club's internal operations. It is the responsibility of the outgoing board to ensure that the succeeding board is thoroughly briefed on all aspects of the RR&Ps for Chartered Clubs.

- VII. Content Manager, an individual appointed by the Club President to maintain and update club-specific information on the Sun City West Clubs website. The Recreation Center Information Technology Department provides each Club a username, password and training information at the request of the Club President. Each Chartered Club may contract at their expense, an external website which may be linked to Association website with the approval of The Recreation Center Information Technology Department.

### **CR/RC Forms**

- I. To assist clubs in the administration of their programs and to provide the Association with essential statistical data, forms are provided. Club forms are identified by the prefix "CR". Recreation Center (Association) forms are identified by the prefix "RC". All forms, instructional videos and materials are available on the Sun City West Website, scwclubs.com. Copies of forms used by the Association to administer the Chartered Club program are shown in the RR&Ps appendix. The Recreation Activities Manager's Office maintains a limited supply of these forms. Clubs are expected to access and submit forms online.
- II. The newly elected and/or appointed officers shall, within fourteen (14) business days of taking office, complete and submit Form CR-5 (New Club Officers and Rules, Regulations and Procedures for Chartered Club Affirmation Report) (scwclubs.com) to the office of the Recreation Activities Manager acknowledging that the RR&Ps and the Club's Bylaws were read and understood.

### **Prerequisites for Club Formation**

- I. Specific procedures and guidelines pertaining to the acquisition of a club charter are identified in RR&Ps Chapter two (2). Applications will be considered only when a non-craft club has 75 paid-up, first-year members, or when a craft club has 50 paid-up, first-year members.
- II. As long as an existing club maintains its minimum membership rate it will continue to retain its charter. Clubs that fall below its minimum as reported on the annual CR-15 (Membership Roster) will be notified and the Recreation Activities Manager will assist these clubs in their efforts to bring their membership up to minimum level. If the Club is



unable to bring its active membership up to the minimum membership level within one (1) year of written notification, the Recreation Activities Manager will recommend to the General Manager the Club Charter should be withdrawn.

- III. The General Manager may recommend to the Governing Board that their charter be withdrawn.

### **Allocation of Facility Space**

- I. The allocation of space for Chartered Club usage is determined by Association Policy Fa 6 (gb.suncitywest.com) and is dependent on:
  - A. Effective utilization of available space.
  - B. Active participation by its members.
  - C. Space requirements for its four (4) quarterly general membership meetings.
  
- II. Clubs with assigned space shall use that space for board meetings. Space allocations for social functions are limited to two (2) per calendar year. This space will be provided at no charge so long as the attendance is limited to the club's members and their accompanied guests.
  
- III. All other requests for space, including changes, must be submitted in writing or online with CR-14 (Facility Activity Reservation Form) by the club president or the designated officer to the Recreation Activities Manager.

**Note: The Association has the right to pre-empt a Chartered Club's reserved space as the Association requirements change. Although space is granted on a quasi-permanent basis, the facility remains the property of, and under the jurisdiction of the Association.**

### **Chartered Club Councils**

- I. When several clubs have similar activities and/or share the same facilities, a council may be formed to provide coordination. Each club will have a representative on the council.
  
- II. The formation of a council must be reviewed by the Recreation Activities Manager and approved by the General Manager.

## Chapter 2

### Establishing a Chartered Club

- I. **Before Beginning the Process:** Any group of Recreation Center Card Holders who have joined together in the pursuit of a particular recreational, social or leisure interest, and wish to form a Chartered Club, may obtain this information from the office of the Recreation Activities Manager or online at [scwclubs.com](http://scwclubs.com).
  
- II. **Coordination of the Process:** Proper coordination between the Association and a prospective club is essential to ensure that the requirements for a charter are fully satisfied. That member strength and interest is sufficient to warrant the formation of a club, and that adequate space is available for intended club activities.
  
- III. **Benefits of a Charter:** A club charter is the formal authorization granting official status to a club in the Association. Clubs having such designation are:
  - A. Given priority for facility use.
  - B. Offered regular use of facilities as available.
  - C. Authorized use of facilities for regular meeting/activity.
  - D. Assigned facility space that meets multiple criteria including participation, equipment needs and available room accommodations.
  - E. Extended insurance coverage for equipment with an acquisition rate of \$300 or more as the ownership of the equipment is formally transferred to the Association (RR&Ps Chapter 4, Article (IX), Insurance).
  - F. Association provides a website for all Chartered Clubs. Chartered Clubs are responsible for maintaining those websites.
  
- IV. **Conditions for Granting a Charter:**
  - A. The granting of a charter is based on membership need for a program, membership interest as determined by a pre-designated minimum number of active participants and the availability of adequate space.
  - B. A charter will not be granted to a club which requires membership in any national, state, or regional organizations as a condition for membership. Any

affiliation in a national, state, or regional organization must be optional on the part of the individual member. However, clubs may require additional memberships and/or credentials for members to participate in certain optional club activities (e.g., golf, tournaments, bowling tournaments).

- C. Chartered Clubs shall not merge with a non-Association entity. If such a merger occurs, the club's charter is subject to revocation.
- D. Membership in Chartered Clubs must be open to all bona fide members of the Association without discrimination as to race, religion, color, ethnic culture, or national heritage. A charter will not be granted to any group which sets a restrictive precondition for membership (e.g., a club formed for a group of people of a specific nationality, state, religion, political association/affiliation or a club whose name refers to specific groups, such as "The Arizona State Club", The American-English Club", or "Club USA").
- E. A charter will not be granted to groups whose purpose is the same as an existing Charter Club, excluding women's or men's clubs.

**Note: The formation of desirable segregated activities for male and female members of the Association may be permitted so long as both genders are provided equal opportunity to pursue common interests (e.g., women's or men's clubs).**

- V. Procedure for Making an Application for a Club Charter:
  - A. Step 1 – Review the RR&Ps for Chartered Clubs online at [scwclubs.com](http://scwclubs.com).
  - B. Step 2 – Complete and submit online Form CR-1 (Application for Charter), ([scwclubs.com](http://scwclubs.com)). Non-craft clubs require a minimum of 75 valid paid-up members. Craft clubs require a minimum of 50 valid paid-up members.
  - C. Step 3 – Obtain the necessary signatures on the initial online Form CR-2 (Membership Roster), ([scwclubs.com](http://scwclubs.com)). A deposit in the amount of the required paid-up dues must accompany the application request. Said deposit shall be returned to the club on the granting or denial of the Charter.
  - D. Step 4 - Develop a proposed set of club bylaws using the format provided in Form CR-3 (Sample Bylaws) online at [scwclubs.com](http://scwclubs.com).
  - E. Step 5 – Following review and documented approval (in club minutes) by the initial club membership, submit the initial Form CR-2 (Membership Roster) online ([scwclubs.com](http://scwclubs.com)) to the address below:

Recreation Centers of Sun City West, Inc.

Att: Recreation Activities Manager

19803 R. H. Johnson Boulevard

Sun City West, Arizona 85375-4498

**Note: Some Bylaw provisions are mandatory clauses, including some verbatim clauses, while others are optional and depend entirely on the extent of operating detail required by the club. (Form CR-3) (scwclubs.com).**

- F. Step 6 – When all requirements have been met, the application package will be forwarded to the General Manager with a recommendation by the Recreation Activities Manager to approve or disapprove the request for charter. If approved, the club will receive the charter notification. If disapproved, the club will be provided with a written explanation from the General Manager. The General Manager will advise the Governing Board regarding his actions.

VI. After a Club is Chartered:

- A. Upon receiving a charter, the club must apply for a Federal Employer Identification number (Tax ID) by completing and filing IRS form S-4. A copy of the form along with the newly assigned ID number must be submitted to the Recreation Activities Manager. Tax forms are available by calling 1-800-829-3676 or online at [www.irs.gov](http://www.irs.gov).
- B. Association Maintenance of Club File: The official club file will be kept by the office of the Recreation Activities Manager. The file will be organized as follows:
  - 1. Section I – Form CR-1 (Application for Charter) with the initial Form CR-2 (Membership Roster).
  - 2. Section II – Charter approved bylaws and amendments (as applicable). Association posts Chartered Clubs Bylaws on Recreation Center provided website.

**Note: In case of conflict between the Association files and club files, dated and signed Association's file copies will take precedence over any other versions.**

3. Section III – Additional Club Operating Rules (i.e. additional to bylaws and safety program).
  4. Section IV – All club correspondence between the Recreation Activities Manager and club officers.
  5. Section V – All club correspondence between IRS and Arizona Department of Revenue.
  6. Section VI – All other (misc.)
- C. Chartered Club’s Record Retention Schedule:
1. Correspondence and meeting minutes – 3 years
  2. Financial records – 7 years (prior to current year)
  3. Daily attendance forms – current year and prior year
  4. Charter approval and Federal Tax ID number – life of the club

VII. Maintaining a Club Charter:

- A. Chartered Clubs must meet an active membership participation rate of 75% as measured by monthly CR-4 (Monthly Participation Report) and annual CR-15 (Membership Report).
1. Membership participation is the action of taking part in club activities on Rec Center property.
  2. Clubs are responsible for recording individual member participation. Clubs must have a sign-in process for all club activities and records be made available to the Association.
  3. Upon implementation of Association software, membership and participation data will be electronically available to the Association & Clubs.
- B. A Club Charter is dependent on club membership, membership participation and longevity of existing Club Charter.

## VIII. Revocation of a Charter

- A. A charter may be revoked on the recommendation of the General Manager and with the approval of the Governing Board.
- B. Reasons for revoking a club's charter include, but are not limited to:
  - 1. Membership declines below minimum number.
  - 2. Noncompliance with the Association's rules and policies.
  - 3. Irreconcilable conflict among club members.
  - 4. Creating activities that project the club and/or the Association in an undesirable or embarrassing position.
  - 5. Violation of Federal, State, or local government statutes and ordinances.
- C. Process of Revocation
  - 1. Upon receipt of a recommendation to revoke a charter from the General Manager, the Governing Board shall notify the club in question of the recommendation and set a hearing date before the Governing Board which shall not be less than ten (10) business days from the date of notice to the club. (Governing Board Bylaw 8.4.3.2)
  - 2. At the hearing, both the General Manager and the club in question shall have the opportunity to address the Governing Board and to present their case. (Governing Board Bylaw 8.4.3.3)
  - 3. The Governing Board shall provide a written notice of its final decision on the charter revocation within ten (10) business days of the hearing. (Association Bylaw 8.4.3.4)

## Chapter 3

### Membership and Operation

#### I. Membership

- A. Club Membership: Club membership is open only to those issued a current Owner Member card, Associate Member card or Tenant Activity card. Clubs may have only one type of membership. Each club member has equal rights, responsibilities and obligations. This includes equal membership dues.
- B. Honorary and Lifetime Membership: There can be no honorary or lifetime members in Chartered Clubs.
- C. Prospective Members: Before joining a Chartered Club, prospective members are encouraged to visit the club a limited number of times. After club hospitality has been experienced, and club operations and programs have been explained and understood, a club must require the individual to join the club to participate in its activities.
- D. Membership Validation: The club board initiates periodic (at least annual) reviews of the club membership to ensure that all its members are valid Recreation Centers Card Holders.
- E. Membership Report (Form CR-15), (scwclubs.com): A membership list, which contains each member's name and Recreation Card number, as of December 31, must be submitted to the office of the Recreation Activities Manager by February 1 of the following year.
- F. Member Conduct: Members who threaten the safety of themselves or others, are abusive, blatantly create turmoil, disruption, or dissension among club members, clubs or the Association in general may have their club membership temporarily suspended (up to two (2) weeks) by the club.

IMPORTANT: All disciplinary actions must be approved by the Club Board (majority vote 51%), member notified within 5 business days of infraction, documented in club records including CR16 (scwclubs.com) and copies forwarded to the Recreation Activities Manager and Chartered Clubs Committee Chair.

1. Verbal warning to member from the Club President and a Board Member sharing details of incident and violation.



2. Written warning from the Club Board documenting details of incident and violation.
3. Written notice from the Club Board of temporary club suspension (maximum of two (2) weeks).
  - a. Member may appeal a suspension with written notice to the Club Board, Recreation Activities Manager and Chartered Clubs Committee Chair.
  - b. Appeal will pause suspension until ruling, member rights and privileges continue until ruling complete.
  - c. Appeal is heard at a scheduled meeting with Recreation Activities Manager, Chartered Clubs Committee Chair & other individuals approved by the Recreation Activities Manager.
    1. Member in question and Club President or presiding officer shall present their case.
    2. Ruling will be made based on majority consensus.
    3. Recreation Activities Manager will forward appeal ruling to Club Board and Member.
    4. Member may appeal ruling by written notice to the Recreation Activities Manager requesting a hearing with the Governing Board. Request is forwarded to the General Manager. Further disciplinary action requests by a Club Board shall be forwarded to the General Manager by the Recreation Activities Manager with a copy of the disciplinary actions to date.
      - a. General Manager may suspend member up to sixty (60) days.
      - b. Club termination may be recommended by the General Manager to the Governing Board.
      - c. Severe cases of adverse Club Member behavior may be cause for suspension of Association membership rights and privileges (i.e. suspension of the RCSCW Recreation Card).
5. Any suspension or termination of club membership or Association rights and privileges may be recommended to the Governing Board by the General Manager following the same

Process of Revocation procedures as described in RR&Ps Chapter 2, Article VII, C after completion of procedures listed above.

NOTE: Infractions addressed and corrected immediately do not require further action or documentation. Infractions which result in county or legal involvement (i.e. physical altercation) will move directly to the General Manager for recommendation to the Governing Board.

IMPORTANT: Membership Policy Statement M02 Suspension of Membership, 3.2.1: Failing to attend the hearing or informing the Governing Board that the person will not attend, shall be considered an expression of “no contest” by the person. In such an event, the Governing Board may accept all reports and testimony as true.

## II. Guest Policy

- A. Club Guests: Clubs exist for the benefit of their members. A member may wish to share the club experience with an occasional guest. The term “occasional” shall be defined in each club’s bylaws. It is the responsibility of the club to determine in their bylaws if a guest may participate in their club’s instructional classes.
- B. Club Visitors: Occasional visitors who accompany club members to observe club activities are allowed.
- C. Recreation Card Holder Guest: A resident guest(s) is a resident of Sun City West with a current Recreation Centers’ card, who has not formally joined that club, but is qualified to do so.
- D. Non-Recreation Card Holder Guest: A person(s) who does not possess an Owner Member, Associate Member or Tenant Activity Card who is occasionally invited to participate in Chartered Club programs by a Chartered Club member. The Chartered Club member must accompany this category of guest when using the Club facility. It is the responsibility of the officers of the Chartered Clubs and their members to see that such invitations are not abused and that they comply with club bylaws.
  - 1. Non-Recreation Card Holder Guest shall not be admitted to a club activity unaccompanied by a member.
  - 2. Non-Recreation Card Holder Guests shall not have greater privileges than a Recreation Card Holder Guest.

3. Non-Recreation Card Holder Guests must not displace club members when facilities/space are limited.
  4. Non-Recreation Card Holder Guests should not impose non-reimbursed expenses on the Association.
  5. Non-Recreation Card Holder Guests should not diminish the attractiveness of Association membership by obtaining its benefits without taking on its obligations.
  6. Non-Recreation Card Holder Guests may be invited only by individual club members. There may not be an open public invitation except for special events.
  7. The Non-Recreation Card Holder Guest Policy adopted by each Chartered Club in its Bylaws must address the number of times a club member may bring a Non-Recreation Card Holder Guest to a club activity per year.
- E. Special Event or Tournament Guests: Club Presidents must complete and submit online a written request on Form CR-11 (Special Event or Tournament request with Non-Recreation Card Holder) to the Recreation Activities Manager to obtain approval for the event. Chartered Clubs are allowed two (2) free special events per calendar year. Additional special events are at Clubs expense (i.e., room/equipment rental fees, set-up charges, etc.).
- Association may provide, with Recreation Activities Manager approval, additional special events for Chartered Clubs wherein the club sponsors, promotes and runs the event. The association collects and distributes all monies. (Clubs may be responsible for room/equipment rental fees, setup charges, etc.).
- F. Chartered Club Reciprocity: Both sport and non-sport Chartered Clubs may wish to reciprocate with established groups in other age restricted communities for the purpose of competing or sharing social and common interests but must have prior approval from the Association. The following conditions must be met:
1. The club membership must approve reciprocal play every year with the submission of the CR-14a (Reciprocal Agreement) for approval by the Recreation Activities Manager.
  2. Written approval from authorized person of reciprocating community is required.
  3. Scheduled activity of comparable times on similar facilities without being required to pay a guest fee.
  4. Subs for reciprocal play must be from the reciprocating community.

- G. The Chartered Clubs enhance the recreational, social and leisure interests of the Association's members. The Chartered Clubs shall be conducted in a manner that is in compliance with the fiscal responsibility to the Association's membership.
- H. It is intended that the Chartered Clubs avoid procedures that result in using membership dues to pay for the operating and maintenance expense resulting from use by Non-Recreation Card Holders. They should avoid creating procedures that result in Non-Recreation Card Holders competing with Chartered Clubs.

### **Club Operations**

#### I. Use of Facilities

- A. Club Membership and Facilities: While all facilities and programs within the physical confines of the Association are available to the general membership, regular participation in some activities may be contingent upon membership in a Chartered Club.
  - 1. In these specific cases, the Association has delegated fulltime operating responsibility to respective clubs in a conscious effort to provide low-cost programs in a safe environment.
  - 2. In those facilities where participation is contingent upon club membership, the rationale is based on the need to provide a safe and orderly workplace.
  - 3. The purpose is to establish a comprehensive leisure program and protect the members, the Association and club purchased assets.
  - 4. Chartered Clubs are intended to be used by the Association's Members for the express purpose of pursuing and encouraging those activities.
    - a. Club Boards are responsible for fair and equitable membership use of club facility, equipment and supplies.
    - b. Club members use of Association Facilities for commercial/mass production is prohibited.
    - c. Clubs are responsible for controlling commercial/mass production by club members.
    - d. Club Boards shall handle infractions and violations as described in Club By-Laws and RR&Ps, Chapter 3, F, Member Conduct.

e. Clubs shall ensure displays warrant public view. Displays are a direct reflection on the Club and Association.

1. For sale signs are not allowed.
2. Displays may contain artist name only.
3. Individuals interested in club display items shall be referred to the Club.

B. Participation Data: All clubs shall provide monthly participation figures to the Recreation Activities Manager's office relating to their club's activities. This report is due by the second Monday of the following month. Use Form CR-4 (Monthly Participation Report) for submitting this information. Form CR-4 is used by the Association's management to evaluate the need to sustain club charters, (based on member participation) or justify changes in facility allocation. Failure to comply may jeopardize the Club's Charter.

Annually, low club or Association-identified Chartered Club participation numbers or a club's inability to accommodate its members in their assigned club space will be Association-monitored, discussed with the club, and may result in space allocation modifications. The Association will assist clubs in resolution.

## II. Club Monitors:

- A. Club Monitors: These individuals are given the responsibility of supervising a facility and the use of equipment within that facility. Monitors have the authority to deny the use of equipment to any individual who, in their judgment, is either unable or unwilling to abide by stated safety rules. Club officers will ensure that monitors follow the safety rules as detailed by the Club.
- B. Monitors and Safety Precautions: To ensure everyone's safety there must be a monitor and club member or at least two (2) club members on site whenever any club is utilizing any Recreation Facility. At no time will any electrical or gas operated equipment (such as kilns, etc.) be energized and left unattended.
- C. Club Monitoring Requirements: During all club scheduled activities, a designated monitor(s) must be provided and identified by the club to ensure that established operating procedures are followed. If a facility includes more than one room, or the basic room is too large for one monitor to properly oversee, additional monitors must be provided. The monitors shall verify that each person is qualified to participate in the club's activities before they are allowed entry. THE CLUB OFFICERS WILL ENSURE THAT MEMBERS AND NON-MEMBER RECREATION CARD HOLDERS IN GOOD STANDING (PER CLUB BYLAWS) SIGN IN.

EACH PARTICIPATING GUEST MUST BE ACCOMPANIED BY THE MEMBER. In the event a monitor is not present and performing the duties as required, the club facility shall be closed.

III. Club Operating Hours and Rules:

- A. Open Work Time: All arts & crafts clubs shall schedule their operating time to allow for a minimum of 25 percent to be used by their club membership for open workshop/general use time. This time will not be hindered by meetings, instructional classes, or other planned courses, and must be under the direction of a club monitor.
- B. If membership demand for equipment warrants, monitors should enforce club designated time limits for the use of equipment to maximize member participation.

IV. Club Bylaws and Written Operating Rules: Bylaws must be readily available to club members and guests. Operating and safety rules (as applicable) must be conspicuously posted.

V. Hours of Operation: Clubs entrusted with full-time use of a facility will post the scheduled operating hours of that facility, visible from the outside.

VI. Club Centered Advertising:

- A. Clubs shall not advertise for non-member participants in public media to avoid the appearance of a commercial operation or solicitation. Internal club newsletters, websites or flyers must state "For Club Members and their Accompanied Guests Only". Posting of flyers or notices on windows and doors of the Association facility is prohibited.
- B. Instructors performing services held in Recreation Center of SCW facilities shall not advertise these services. The club president is responsible for submitting all promotional and advertising material to the office of the Recreation Activities Manager for approval prior to its placement.
- C. The office of the Recreation Activities Manager will accept flyers for distribution to all centers. Publicity flyers may help the club increase membership or announce an upcoming program.

- VII. All clubs must adhere to the advertising, sponsorship and signage policies of the Association. Policy Fa 7/Fa 10 ([gb.suncitywest.com](http://gb.suncitywest.com)).
  
- VIII. All clubs should refer to Donation, Memorialization, Naming and Advertising Guidelines (see appendix) when such activities are requested. Policy Fa 02 ([gb.suncitywest.com](http://gb.suncitywest.com)).
  
- IX. Election/Appointment of Officers:
  - A. Clubs must have a minimum of four officers: a president, a vice-president, a secretary and a treasurer in order to retain their charter.
  - B. All club members are eligible to be officers.
  - C. The Board must be elected by a majority vote of the club's membership at the club's annual election meeting after a quorum is established.
  - D. If appointed to fill a vacancy, the appointee must be confirmed by a majority vote of the club's board.
  - E. Club officers, past or present, shall NOT receive compensation of any kind for their services.
  - F. As new officers are elected or appointed, clubs will complete Form CR-5 (New Club Officers and Rules, Regulations and Procedures for Chartered Clubs Affirmation Report), and forward it to the Recreation Activities Manager within 14 business days after election or appointment.
  
- X. Communications with Association and Within Club Membership:
  - A. Any club matter requiring action on the part of the Association's Management will be referred, in writing, to the Recreation Activities Manager. See attached Appendix of list of forms available online for submission.
  - B. A club's mailing list, similar documents or other lists derived from any club's documents, either physical or electronic, shall be used only for distribution of club newsletters or other official club business. A club's membership roster shall not be sold or used for any type of non-club solicitation.

XI. Safety and Health:

- A. Any club using power equipment and/or tools or materials considered hazardous must establish written safety rules and appoint a Safety Committee to oversee and enforce the program.
- B. A copy of the club's recommended safety rules must be forwarded to the Recreation Activities Manager for review and subsequent approval.
- C. Clubs are responsible for providing the Association with written notice of any changes made to safety rules or equipment.
- D. At a minimum, the written rules will delineate the safe operating policies for all equipment and identify safety awareness signs and accessory equipment required for the work area, e.g., safety goggles.
- E. If an individual cannot or will not comply with the stated operating procedures, or in the judgment of the club's board, cannot safely operate power equipment, the board may suspend all or part of his or her privileges relating to the use of said equipment.
- F. Before making such a decision, however, clubs should make a reasonable effort to provide additional training instruction in hopes of re-qualifying an individual. In most cases, a suspension of operating privileges will not be considered disciplinary in nature and will only be activated to protect the best interests of the individual, the club and the Association.
- G. Any suspension of privileges based on safety concerns may be appealed to the Recreation Activities Manager. In such matters the decision of the Recreation Activities Manager will be final. An appeal may be submitted in writing within seven (7) business days of the suspension notification. The Recreation Activities Manager will render a decision in writing within fourteen (14) business days of receiving the appeal.
- H. Smoking Policy: In accord with the Arizona Revised Smoke Free Statute: Smoking/vaping/e-cigarettes is not permitted in any indoor area of any building owned, operated or maintained by the Association. Also, smoking/vaping/e-cigarettes is not permitted within fenced areas surrounding Association pools, racquet sports and softball facilities. The Governing Board also reserves the right to designate outside areas in which smoking/vaping/e-cigarettes will not be permitted.

XII. Accident/Incident/Injury: Any accident/incident/injury occurring in the Association's facilities and those requiring medical attention shall be reported to the Facility



Supervisor within 24 hours using Form RC 20-5 (Accident/Incident/Injury Report) online at scwclubs.com.

- A. Club Monitors will be responsible for documenting pertinent details of an Accident/Incident/Injury during club scheduled activities on Association property in the club's records. Clubs are responsible to educate membership on this form.
- B. Club officers will be responsible for submitting Form RC 20-5 to the Facility Supervisor who will forward it to the office of the Recreation Activities Manager.
- C. Clubs must have Accident/Incident/Injury Form RC 20-5 at all club scheduled activities.

XIII. Professional Counsel: Since clubs are chartered under the auspices of the Association, clubs may engage professional counsel for tax matters, legal issues, or financial practices. The club is financially responsible for the professional counsel. Recreation Activities Manager must be advised prior to initiation and copied on all correspondence. Guidance is available from the Association.

XIV. Gaming: No money is to be on any table during the playing of any game in Association facilities.

XV. Alcoholic Beverages:

- A. The sale of alcoholic beverages is prohibited in all the Association's facilities, except those displaying Arizona State Licenses. Information is available at <https://azliquor.gov> is available.
- B. As a matter of convenience, the Association will allow Chartered Clubs to transport and dispense (not sell in any form, e.g., cash or prepaid tickets) alcoholic beverages on the Association's property during Club sponsored functions.
- C. However, this authorization clearly stipulates that the control and liability provisos of Arizona Legal statutes pertaining to the consumption and transport of alcoholic beverages are solely the responsibility of the club.
- D. The Association neither condones, nor sponsors the consumption or transport of alcoholic beverages during club functions, unless those club functions are conducted in an Association's Licensed facility (beer & wine) with the

Association's employees serving and dispensing the alcoholic beverages.  
(Association Policy Fa 9) ([gb.suncitywest.com](http://gb.suncitywest.com)).

XVI. Facility Scheduling:

- A. The primary responsibility for scheduling the Association's facilities and coordinating special events rests with the Recreation Activities Manager's office.
- B. Extensive and precise coordination is required among Chartered Clubs, the Association's members, and non-affiliated community groups who request use of the Association's facilities.
- C. Once a facility reservation has been confirmed, coordination is required among the Recreation Activities Manager, Facility Supervisors, the Maintenance Department and Accounts Receivable Section to ensure that building utilities, functional setup requirements, and billing procedures (if applicable) are met in a timely manner.

XVII. Facility Reservations:

- A. Regular Facility Use: Chartered Clubs must submit a Form CR-6 (Club Activity Calendar) online to the Facility Scheduling Office between May 1 and May 15<sup>th</sup> for the following year (January 1-December 31). The CR-6 will identify regularly scheduled club activities and meetings. The term "regular" is defined to mean the general membership and board meetings that are consistently held on the same day(s) of the week/month/quarter throughout the calendar year. It does not include club committees or other sub-elements of a Chartered Club.
- B. Once reviewed and approved, club schedules will be entered in the Association's scheduling computer on a Facility Master Calendar. Unless a subsequent change occurs, there is no requirement for additional submittals. The Facility Master Calendar is the "hub" around which remaining facility space is determined and, subsequently all additional facility allocations are derived.
- C. Based on facility availability, clubs may request a change to their regular schedule by submitting an updated CR-6 online ([scwclubs.com](http://scwclubs.com)).
- D. A Form CR-14 (Facility Reservation Request) ([scwclubs.com](http://scwclubs.com)) will be submitted online to the Recreation Activities Manager's office for each facility space reserved, and the event will also be entered on the Facility Master Calendar.

- E. In case of a conflict in requests from two (2) different eligible users, the Recreation Activities Manager will decide how to resolve the conflict.
- F. The Association's membership and related Chartered Clubs will receive priority over non-chartered clubs, residents, or organizations in accordance with Association Policy Fa 6 ([gb.suncitywest.com](http://gb.suncitywest.com)).
- G. When a rental fee is applicable for use of a facility by a Chartered Club, a Facility Reservation Confirmation will be completed at the time of the request. Pertinent reservation information is recorded and kept on file.

**Note: Club President is responsible for ensuring all facility reservations are correct.**

- I. Chartered Club Meetings:
  - 1. There will be a general membership meeting conducted during each quarter of the calendar year. If assigned club space is inadequate to accommodate general membership meetings, Association will assign adequate space.

**Note: Membership meetings should not have as their primary purpose a social event.**

- 2. The club's board will meet as needed to ensure club business is kept current. If assigned club space is inadequate to accommodate board meetings, Association will assign adequate space.
- 3. Each spring and fall, the Recreation Activities Manager and Governing Board representatives must meet with the Chartered Clubs' officers. The purpose of these meetings is to update policies, clarify procedures and discuss mutual concerns. These meetings are important to each club. Club representation is mandatory to sustain the club's charter.

## Chapter 4

### Financial Information

- I. Financial Internal Revenue Service (IRS) Requirements:
- A. If a Chartered Club generates annual gross receipts of \$50,000 or more from all sources during the preceding annual accounting period it shall file a Federal Tax Return (IRS Form 990 or 990EZ). Clubs with gross receipts less than \$50,000 and have an “IRS Letter of Determination” must file a 990 N Electronic Form (no paper form available).
  - B. After filing tax returns, a signed copy of each return shall be provided to the office of the Recreation Activities Manager. Internal Revenue Service requires Form 990 or 990EZ or 990 N to be filed by the fifteenth (15) day of the fifth (5) month after the organization’s accounting period ends. In addition, the club must apply for Tax Exemption by filing IRS Package 1024 and request Arizona State Exemption, if the club has not already obtained a Tax-Exempt Status. A copy of each exemption will be provided to the office of the Recreation Activities Manager.
  - C. Clubs are responsible for filing all tax forms after review by the Association.

**Note: Gross receipts means the revenues received by the organization during its annual accounting period from all sources without reduction for any costs or expenses.**

- D. If a club has paid an independent contractor for services during the calendar year, the Internal Revenue Service (IRS), requires Form 1099 MISC to be filed for each contractor exceeding a specified dollar amount (currently \$600 for the calendar year). Copy B of the 1099 MISC must be furnished to the contractor (recipient) by January 31. However, this date may vary from year to year, from January 31 to February 2. Review the back of the current year Form 1099 MISC to determine the due date for that year.
- E. A single Annual Summary and Transmittal (Form 1096) shall be used to summarize all the 1099 MISC forms issued for the calendar year and to submit them together to the IRS before the due date indicated on the back of the current year form (between February 28 and March 2). A copy of each Form

1099 MISC and 1096 filed must be provided to the office of the Recreation Activities Manager.

- F. No club member shall receive any compensation or financial award from club funds for contributions or service to the club. The only exception is when a member has an independent contractor agreement previously approved by the Recreation Activities Manager.
- G. Failure to comply with IRS and/or Arizona Department of Revenue requirements can result in severe penalties to both the club and the Association.  
Noncompliance could result in revocation of the club's Charter.
- H. Failure of the club to file the annual information return or filing an incomplete return is subject of penalty under IRS 6652(c) (1)(a). A penalty of \$20 per day is imposed for failure to file. The maximum penalty is the lesser of \$10,000 or five (5) percent of gross receipts for the year.

## II. Tax Status

Chartered Clubs may apply and qualify for any 501C tax-exempt status with Internal Revenue Service. Club research of IRS qualifications is necessary and all 501 C Chartered Clubs must be and remain IRS compliant. Refer to [www.irs.gov](http://www.irs.gov).

## III. Association Requirements for Club IRS Forms

- A. Copies of all forms and correspondence with the IRS and the Arizona Department of Revenue must be provided to the office of the Recreation Activities Manager annually confirming compliance.
- B. Clubs are responsible for obtaining forms and the instructions to complete and file them from the proper agencies. To obtain instructions and forms from the IRS, call 1-800-TAX-FORM (1-800-829-3676). To order from the Arizona Department of Revenue, call 602-542-4260 or online at [www.irs.gov](http://www.irs.gov).

## IV. Sales

501 C-7 Chartered Club sales of any kind on Association Property is prohibited. Exception requires Recreation Activities Manager approval.

## V. Taxes

- A. **Non-profit Organizations and Taxes:** The Association and the Chartered Clubs are legally constituted non-profit organizations. As a result, they incur certain tax responsibilities and derive certain tax advantages. While sale activity is authorized with a non-profit organization, the amount is solely to support internal operating needs and to provide a convenient service to its membership.
- B. **Clubs Collecting Taxes:** Any taxes engendered by admission, entry fees, or consumable sales, etc. are the responsibility of the Chartered Clubs. Failure to properly collect and report taxes, or circumvention of sale activity allowances, may result in loss of non-profit status and will jeopardize the Club's charter.
- C. **Sales Taxes When Purchasing Supplies:** When purchasing supplies for its members, the club pays the applicable sales tax. Since these supplies are defined as "consumable", subsequent distribution to club members is handled on a cost recovery basis. This recovery procedure may include some markup to recover expenses incurred by the club during the purchase and distribution, but not to make a substantial profit.

## VI. Insurance

- A. **Insurance Carried by the Association:** The Association carries both property and general liability insurance coverage for the activities associated with the operation of the Association's facilities. Property and liability insurance coverage is extended to the Chartered Clubs while engaged in club activities within the community of Sun City West. Property coverage is subject to a deductible of one thousand dollars (\$5,000) per claim, which may be the Club's responsibility and covers only property that is on the Club's Equipment Inventory on file with the Associations' Accounting Office (RR&Ps Chapter 4, IX).
- B. **Liability Insurance Outside SCW:** Association coverage may or may not apply to club activities outside the community. Clubs should check with the Recreation Activities Manager for clarification of their liability coverage outside of Sun City West.
- C. **Personal Property Insurance:** Individual member's personal property is not covered under the Association's policy. Members should review their own homeowner's policy with their agent or broker for this coverage. The Association's owned property used by the clubs is covered by the Association Insurance subject to a \$5,000 deductible provision.

- D. Fidelity Coverage: While the Association has fidelity coverage regarding the acts of its employees and trustees, the coverage is extended to the Chartered Club's activities subject to a \$1,000 deductible with a limit of \$10,000. Should this deductible fidelity exposure be a concern to any club, the concerned club may obtain its own coverage.

VII. Accountability and Records:

**Note: The Association reserves the right to review club financial records and related documents. This review may be pre-scheduled, or unannounced. Any club refusing to cooperate in a management review jeopardizes its charter.**

- A. Treasurer: All clubs must have a treasurer who is responsible for properly recording all club member and non-member revenues and expenses.
  - 1. The treasurer will also oversee the purchasing of all fixed and non-fixed assets, equipment, material and supply inventories, and the sale of supplies, unless otherwise designated in the club bylaws.
  - 2. Depending on the authorization limits set by the club's bylaws, the President, or other board members may be designated as a secondary signatory.
  - 3. The treasurer shall issue a quarterly report to be presented at the General Membership meetings. Clubs should adopt a format similar to the CR-7 (Annual Financial Statement) ([scwclubs.com](http://scwclubs.com)).
- B. Operating Procedures: Club bylaws and operating instructions shall identify the necessary prerequisites to effect basic financial transactions. The following are required:
  - 1. A Check and Balance Procedure. A check and balance procedure precluding a single individual from ordering, receiving, stocking and dispersing resale merchandise.
  - 2. Cash Control Procedure. A cash control procedure which requires dual signatures on the club's check over a designated dollar limit as provided for in the club's bylaws.

3. Semi-Annual Inventory: A requirement to semi-annually inventory club materials and fixed assets, reconcile the results to source documents, and report findings to the club's membership.
  4. Account for All Money Received: An accounting of all monies received, identified as member or non-member, including fees for special events such as social or competitive events, which must be deposited in a club's bank account and duly recorded. No disbursements shall be made from "unbanked" monies. All disbursements shall be made by a club check or from an established petty cash fund, with backup documentation including invoices or signed receipts as applicable. Individual petty cash disbursements shall not exceed twenty-five dollars (\$25.00).
  5. Bank Accounts: All bank accounts shall be in the name of the club and continue through succeeding administrations.
  6. Financial Records: All financial transactions (defined as all movement of funds through the club's account) shall be recorded in the treasurer's records, and all such records must be retained by the club treasurer for a period of seven (7) years (prior to the current year).
  7. Annual Financial Statement: Clubs are required to submit Form CR-7 (Annual Financial Statement) online ([scwclubs.com](http://scwclubs.com)) to the office of the Recreation Activities Manager by February 1 for the preceding calendar year. Failure to comply with this date will result in temporary closure of the club's facility or access to Association facilities. This annual report shall be signed by a club appointed individual who is independent of the club's board and who has sufficient financial skills to provide a certification of accounts and records.
- C. The office of the Recreation Activities Manager will subsequently arrange for appropriate management review. A copy of the club's November and December bank statement will be attached to Form CR-7. (A bank statement must be reconciled as of December 31.) This report is comprised of two (2) sections: Income and Expense (I & E) Statement and a Balance Sheet. The Income and Expense section provides data on:
1. All member and non-member income generated and deposited in club's bank account(s) such as sales of supplies, dues, contributions/gifts (received), instructional charges collected, registration fees, admission charges from events, ticket sales for club activities, etc.
  2. All expenses relating to operations, instructional fees, registration fees, entertainment fees and miscellaneous expenses. A specific statement is



to be made regarding netting out income and expenses as part of the Annual Financial Report. Chartered Clubs may hire or contract an advisor involving financial legal matters without the consent of the Recreation Activities Manager.

- D. Contributions/Donations/Scholarships/Grants: Under certain conditions, the tax-exempt clubs chartered by the Recreation Centers of Sun City West, Inc. can make charitable contributions. A chartered club that wishes to engage in that activity will be required to:
1. Notify IRS they wish to engage in the activity not previously reported in information to obtain a tax-exempt status.
  2. Add a club bylaw to indicate such activity of the club and a copy of the change must be sent to the IRS.
  3. Establish a dedicated fund with separate books and accounts. No funds or accounts can be commingled, and no disbursements shall be made from the fund for the benefit of club members (Section 512 (a)) (3) (B) of the Internal Revenue Code).

(If a Chartered Club wishes to pursue this type of activity, the Recreation Centers will assist in giving all the necessary information for the application.)

**Note: Unless these certain conditions are met, no contributions, donations, scholarships or grants can be made by any tax-exempt club chartered by the Recreation Centers of Sun City West, Inc.**

- E. Chartered Club Fund Raisers must be IRS compliant. Refer to [www.irs.gov](http://www.irs.gov).
- F. Operating Bank Accounts: Accounts are for the financial operations of Chartered Clubs and must be IRS compliant. Year-end balances should be no more than 110% of the previous year's operating expenses. Recreation Activities Manager may approve exceptions.
- G. Clubs with an aggregate equipment value over \$5,000 may establish a reserve fund for the future repair and replacement. Club equipment should be inflation amortized with a life expectancy cycle. The fund should consider the following:
- Acquisition Cost
  - Useful Life
  - An Inflation Factor

These components are used in calculating a fully funded balance (FFB). Clubs are encouraged to hold a separate reserve fund with a goal of at least 25% of the FFB. To assist in the FFB calculation, contact the Finance Department of the Association.

H. Government Requirements:

1. Clubs are responsible for filing the correct tax forms and reports required by the Association's 501-C-4 status and any other applicable Tax-Exempt Codes to the proper government agency.
2. Any income to tax-exempt clubs from sources outside of its membership must be identified as such in club records.

**Note: Copies of all correspondence sent to or received from governmental agencies, (City, County, State or Federal) by a club must be filed with the office of the Recreation Activities Manager within seven (7) days of receipt.**

VIII. Contracts and Procedures for Conducting Classes:

- A. The provision of qualified program instruction to a membership is an acknowledged part of a club's intended purpose and depends on program difficulty, skill level of participants and availability of instructors. The Association encourages clubs to pursue instructional classes for their membership, but to remain sensitive to reasonably priced class registration fees. In keeping with these RR&Ps, an individual or group of individuals who are paid by a club to perform services must be engaged by written contract.
1. Form CR-8 (Independent Contractors Agreement) or Form CR-8a (Independent Contractors Members Agreement) online must be signed by the contractor and Club President.
  2. Services provided by other Chartered Clubs are not subject to this provision.
  3. A copy of each signed contract shall be forwarded to the office of the Recreation Activities Manager.
  4. Examples of contract services: dance bands, instructors, bridge directors, dance callers, lecturers, entertainers, or any other similar service provider.

5. Form CR-8 will not be required for food catering services.
- B. A club shall not employ anyone including a club member. An employer would be required to carry Workers' Compensation Insurance and to withhold Social Security and Income Taxes. Failure to comply with the above instructions may create a liability beyond the scope of the Association's insurance coverage. Noncompliance may be cause for revoking the club's charter.
- C. For a person or organization, who is not a contractor but a club invitee, the Association may exercise its right to require a club's invitee to hold harmless the Association and to provide a certificate of insurance for such insurance coverage as may be required of the invitee by the Association.
- D. All monies collected for the "Independent Contractor Services" shall be paid to the club treasurer and deposited into the club's account. The treasurer pays the contractor the contract fee by check.
- E. In publicizing instructional classes, clubs should ensure widest dissemination to allow all its members a fair and equitable opportunity to register. When a class waiting list is established, members may repeat the class only by adding their name to the end of the waiting list. Clubs will establish procedures which offer a full range of instructional activity and, subsequently, ensure that each member has a reasonable opportunity to participate.
- F. If a series of lessons is required to complete a course, clubs are authorized to allow registrants to progress throughout the full lesson series. Once the series has been completed, members may repeat the series by adding their name to the end of the waiting list.
- G. A club board shall have the responsibility for determining instructional program needs, the qualifications of instructors, and class schedules. In addition, only club officers are authorized to negotiate class fees and enter into contractual relationships with the concurrence of their board.
- H. While non-Association personnel may be used, clubs are encouraged to seek instructors from within their membership.
- I. Clubs will not issue refunds to its members (for contracted services) without first obtaining approval of the respective contractor.
- J. Club member(s) may be dismissed from a class by the club's board upon recommendation of the contractor. In such cases, the club board and the contractor will determine whether or not a refund shall be given.

- K. A contractor cannot be dismissed during the period of a contract unless clearly defined cause can be determined. Clubs failing to sustain this provision may find themselves financially liable to a contractor, with the possibility of litigation.
- L. An officer of a club may not be contracted as a paid independent contractor to the club in which he/she belongs, unless it is determined by the club's board that another qualified person cannot be reasonably secured.
- M. Private individual instruction (where monetary compensation is involved) in the Association's facilities is prohibited unless sponsored and supervised by a Chartered Club or authorized by the Association. Regardless of sponsorship, or the element of compensation, instruction (private or otherwise) will not be given during times that would preclude other members from enjoying the facilities.

IX. Property and Equipment:

- A. Background and Philosophy: Initially, the basic required inventory for Chartered Clubs was provided by the Association. As replacements and/or additional needs surfaced, clubs purchased the required equipment and supplies from club funds. Primarily because of liability insurance provisions, the ownership of all club purchased fixed equipment and portable equipment with a unit cost of \$300 or more is transferred to the Association immediately following acquisition. Physical possession and control of the equipment remains with the Club.
- B. Inventories: All club equipment with a unit purchase price exceeding \$300 shall be inventoried each year during the month of December using the Equipment Inventory List provided by the Association's Finance Department.
  - 1. A copy of the list will be retained in the club's fixed asset inventory.
  - 2. Once the inventory has been completed and reconciled with related purchase and disposition documents, it shall be approved by the club president, and the original submitted to the office of the Recreation Activities Manager no later than December 31.
  - 3. For the purpose of the Association Equipment Inventory List, only those items in the club's assigned space, including portable items, with a unit price exceeding \$300 are to be included on the list.

**Note: As an exception to the inventory rule just described, all tables and chairs assigned to and used by a club will be shown and accounted for on the Equipment Inventory List.**

4. If a club desires to have items valued less than \$300 included under the Association's Property Insurance Coverage, they must maintain a Simplified Inventory List for portable equipment, resale supplies or any other asset category with significant value or that is easily pilfered.
  5. A copy of this inventory must be submitted to the office of the Recreation Activities Manager, along with the annual equipment inventory of items valued over \$300 in order to be included in the Association's property insurance coverage. All inventory lists need to include date purchased, serial/model number and cost.
  6. The requirement for the Simplified Inventory List must be included in the Chartered Club's bylaws. The items valued less than \$300 on the Simplified Inventory List are subject to a \$5000 deductible which is the clubs' responsibility.
- C. Repairs of Equipment and/or Facility:
1. All repairs to or replacement of a club's equipment will be borne by the respective club.
  2. Club officers should complete and submit online Form CR-12 (Request for Repair/Maintenance to Existing Facilities) ([scwclubs.com](http://scwclubs.com)) for all facility repair and maintenance needs.
  3. Requests for interior remodeling for any amount of existing club facilities must be submitted online to the office of the Recreation Activities Manager on Form CR-13 (Request for Interior Remodeling of Existing Club Facilities) ([scwclubs.com](http://scwclubs.com)) with documentation as stated on CR 13. It will be initially evaluated within sixty (60) days for chartered club status that is given priority over new, non-chartered clubs (see "Benefits of a Charter"), program need (see "Conditions for Granting a Charter"), urgency, safety concerns, maintenance, repair, replacement of like kind or as a new capital project that benefits the community. The Club shall substantiate the need with Club endorsement to proceed to submitting the CR 13 and CR 13a by providing detailed information on current or improved maximum utilization of facility space such as scheduling use, membership, participation, and health of club's longevity. If the cost for the request exceeds \$5,000 then a CR 13a "Remodeling Requests Over \$5,000" shall be submitted along with the CR-13 "Request for Interior Remodeling of Existing Club Facilities." If approved, clubs will bear the

cost of materials and labor. All labor will be performed or supervised by the Association Maintenance Department.

- a. Chartered Club capital project requests should be submitted by July 1 and for final review by the October Chartered Club Committee meeting for consideration in the following year budget.
  - b. Clubs are never allowed to modify or repair any of the facility building or infrastructure which include items that are attached to the building without Recreation Center approval. Clubs are responsible for maintaining their own equipment.
  - c. Capital Projects: A club requesting new items for their sole club use, become responsible for 100% of that expense. However, if the new items that are requested by a club are shared with another club or the community, then the financial responsibility of new items shall be determined by the appropriate bodies of the Association.
  - d. All capital project requests over \$5,000 must go through Chartered Clubs Committee, as appropriate, for need versus want, Properties Committee for facility/space availability and Budget & Finance Committee for financial responsibility.
- D. Loaned or Borrowed Equipment: The costs of any equipment loaned or borrowed from an outside source by a club and brought onto the Association's property, will be borne by the club. This expense includes any consideration for insurance coverage (property damage and/or liability). Clubs do not have the authority to loan or sell any equipment or supplies belonging to the Association without the written approval of the Recreation Activities Manager.
- E. Purchase of New Equipment: Clubs requesting authorization to purchase (new or replacement) portable equipment with an estimated unit cost of \$300 or more, or equipment (any value) which will be installed in or used on the Association premises, or any electrical equipment requiring other than normal 110-volt power sources must submit online Form CR-10 (Request to Purchase Equipment). (scwclubs.com)
1. Processing Form CR-10 will usually be completed within seven (7) business days of receipt of request. If more time is required to review the request, the club will be notified of a new date.
  2. Once approved, and the item purchased, a copy of all purchase documentation must be forwarded to the office of the Recreation

Activities Manager for processing. All purchase documents will be used to transfer the ownership of the item from the club to the Association and to create an inventory line item for accountability.

- F. Trade-in of Equipment: With few exceptions, the trade-in of the Association's equipment will be allowed in conjunction with the purpose of a replacement item. Clubs desiring to use a trade-in item should identify appropriate facts and justification in writing (Form CR-10) and submit the request to the office of the Recreation Activities Manager for approval.
- G. Sale of Equipment: Sale of equipment can occur only following a review and a written approval by the Recreation Activities Manager. In all cases, the sale item will carry a minimum acceptable bid price as approved by the Recreation Activities Manager. All sales must be "as is". Clubs may be authorized to sell inventory equipment when the monies derived will be used toward the purchase of new or replacement equipment. Sales will be conducted in a "sealed/closed bid" format for items valued over \$300. All sales will be extended to the entire club membership and will be publicized for a minimum of ten (10) business days. Following the sale and subsequent purchase of the new or replacement item, copies of all purchase documentation will be forwarded to the office of the Recreation Activities Manager for inventory accountability. The purchase documentation will also include a brief summary of the sale item disposition, e.g., number of bids received, sale price, name/address of buyer.
- H. Financial Procedure in Case of Club Dissolution: If for whatever reason, a club disbands, or a charter is revoked, all club assets (monies and equipment) shall be transferred to the Association prior to formal dissolution, unless the club has attained an IRS Tax Status 501-C-3. In such cases, the Recreation Activities Manager will assist clubs in effecting dissolution. All club incurred debts must be satisfied prior to the final dissolution.

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