

PREAMBLE

- I. The Recreation Centers of Sun City West, Inc. (hereinafter referred to as the Association or RCSCW) 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 Rules, Regulations & Procedures (RR&Ps) and the Policy Statements provide general guidelines for the establishment and operations of Chartered Clubs. RR&Ps are updated annually and available online at scwclubs.com. Association Bylaws and Policy Statements are online at gb.suncitywest.com
- III. 501 (c) IRS Classifications: read appendix and consult a CPA for classification guidance.

Chapter 1

DEFINITIONS AND RESPONSIBILITIES

1. **ACCIDENT/INCIDENT/INJURY REPORT:** describes the event and the situation at the time of the event.
2. **ANNUAL ELECTION MEETING:** a general meeting of the club's membership where the club's board members are elected, (providing a quorum is established). The date, time and place of the annual meeting must be posted and announced at all club activities during the month preceding the annual meeting.
3. **ASSOCIATE MEMBER:** any non-titleholder who resides with an Owner Member allowing access to Rec Center facilities and clubs with the purchase of an Associate Member Card.
4. **BYLAWS:** are rules defining duties and responsibilities of club membership.
5. **CHARTERED CLUB:** the formal authorization granting official status to a club in the Association. Chartered Clubs are sponsored by the Association and are required to comply with the Association's Governing Documents.
6. **CHARTERED CLUBS COMMITTEE:** a standing committee formed by the Governing Board to advise the General Manager (GM) and the Governing Board on matters related to Chartered Club operations. Chartered Clubs Committee may serve as liaisons to make recommendations regarding Chartered Clubs' activities. The committee makes recommendations for updating the RR&Ps, and in conjunction with the Properties and Budget/Finance Committee, reviews requests for capital projects or modifications to club facilities.
7. **CHARTERED CLUB ELECTED BOARD:** a minimum of four officers who manage the club's internal operations
8. **CHARTERED CLUB COUNCIL:** is multiple Chartered Clubs, each being represented, formed to provide coordination, and approved by the GM.
9. **CHARTERED CLUB LIAISON:** a member of the Chartered Clubs Committee who serves as a communication link between the individual clubs, the Association staff and Governing Board. Chartered Club Liaisons 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.

- 10. CHARTERED CLUB MEETINGS:** are open to all club members for the purpose of reviewing club operations and conducting business.
- 11. CLUB ACTIVITIES:** are club-sponsored and scheduled activities/events that club members attend and participate.
- 12. COMMERCIAL/MASS PRODUCTION:** the preparation, making, and marketing of products with sole emphasis on salability, profit, or success.
- 13. CONTENT MANAGER:** appointed by each Chartered Club president and is responsible for its club website on the Sun City West club website.
- 14. 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.
- 15. FACILITIES:** properties are owned by the Association for the common use and enjoyment of the membership.
- 16. FACILITY SUPERVISOR:** the person responsible for facilities in a specific recreation center.
- 17. FORMS:** assist clubs in the administration of their programs and provide the Association with essential data. Forms are accessible in the appendix or online at scwclubs.com.
- 18. GENERAL MANAGER (GM):** the person appointed by the Governing Board to manage and administer the operations of the Association in accordance with the Association's Governing Documents. GM has the exclusive right to grant a charter for a new Chartered Club, recommend to the Governing Board sanctions up to and including revocation of a charter and may impose late fees for Chartered Clubs failure to submit required reports.
- 19. GOVERNING BOARD:** Are directors elected by the Owner Members or appointed by the Governing Board to establish the policies and oversee the operation of the Association.
- 20. GOVERNING DOCUMENTS:** in order of precedence are:
 - Covenants, Conditions and Restrictions (CC&R's)
 - Articles of Incorporation for Recreation Centers of Sun City West, Inc.
 - RCSCW Association Bylaws
 - Facilities Agreements and Facilities Use Agreements
 - Policy Statements of the Governing Board
 - Rules, Regulations and Procedures (RR&Ps) for Chartered Clubs
- 21. GUEST/VISITOR:** any individual who is not a member of that club.
- 22. OWNER MEMBER(S):** a titleholder(s) who possess a Rec Card, in good standing, will have access to Association facilities and clubs, including voting in the Association's elections.
- 23. QUORUM:** 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.
- 24. RECIPROCITY:** the sharing of like facilities and activities with like age-restricted communities and/or groups without paying a fee.

- 25. RECREATION ACTIVITIES MANAGER (RAM):** the person appointed by the GM who oversees Chartered Club Activities and is the staff representative to the Governing Board’s Chartered Clubs Committee. RAM coordinates and enforces the RR&Ps, allocates facility space, assigns schedules, approves special programs, and assists with club business.
- 26. RESIDENT:** any person who resides in a qualified residential unit in Sun City West.
- 27. SPECIAL EVENTS:** may be social, tournaments, dances, etc., that may or may not be open to non-resident participants.
- 28. TENANT(S):** a person(s) leasing or renting a residential unit in Sun City West, who may purchase a Tenant Activity Card, allowing access to Rec Center facilities and clubs.

Chapter 2

CLUB CHARTER

I. **BENEFITS OF CHARTER:**

- A. Facility Use including:
 1. priority over non-chartered clubs
 2. regular use of facilities (as available) including two free special events per year
 3. additional use of facilities for meetings and activities upon request
 4. assigned club facility space that meets multiple criteria including participation, equipment needs and available room accommodations
 5. maintenance and repair of club/event space.
- B. Insurance coverage for club equipment and events.
- C. IT services including a website with support, and Association software for participation and usage.
- D. Publicity through Association communication outlets.

II. **ESTABLISHING A CLUB CHARTER:**

- A. Formation:
 1. Any group of recreation center card holders who join in the pursuit of a particular recreational, social or leisure interest, may request to form a Chartered Club.
 2. 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.
 3. Review RR&Ps for Chartered Clubs online prior to meeting with the RAM.

B Conditions:

1. Membership in Chartered Clubs is open to all bona fide members of the Association without discrimination as to age, race, religion, color, ethnic culture, or national heritage.
2. A Charter is not granted to groups whose activities are similar in design and/or purpose as an existing Chartered Club.
3. A Charter is not 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 is 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).
4. A Charter is not 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").
5. The formation of desirable segregated activities for male and female members of the Association is permitted so long as both genders are provided equal opportunity to pursue common interests (e.g., women's or men's clubs).

C. Application Process:

Step 1 – Review the RR&Ps for Chartered Clubs online.

Step 2 – Complete and submit online Form CR-1 (Application for Charter).

Non-craft clubs require a minimum of 75 valid paid-up members. Craft clubs require a minimum of 50 valid paid-up members.

Step 3 – Obtain the necessary signatures on the initial online Form CR-2 (Membership Roster). A deposit in the amount of the required paid-up dues must accompany the application request. Said deposit is returned to the club on the granting or denial of the Charter.

Step 4 - Develop a proposed set of Club Bylaws using the format provided in Form CR-3 (Sample Bylaws) online.

Step 5 – Following review and documented approval (in club minutes) by the initial club membership, submit the initial Form CR-2 (Membership Roster) online to the RAM.

Step 6 –The GM will approve or disapprove a club request for Charter and advise the Club and Governing Board in writing of decision.

Step 7 - Upon receiving a Charter, the club applies 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 is submitted to the RAM. Tax forms are available by calling 1-800-829-3676 or online at irs.gov.

Step 8 -In addition, the club applies 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 is provided to the RAM.

III. **MAINTAINING A CHARTER**

- A. Chartered Clubs’ active membership participation rate of 75% as measured by Association software and annual CR-15 (Membership Report) is required.
 - 1. Membership participation is the action of taking part in club activities.
 - 2. Association software, membership and participation data is electronically available to the Association and Clubs.
 - 3. Clubs are responsible for recording non-member participation per Club Bylaws.
- B. A Club Charter is dependent on club membership, membership participation and longevity of existing Club Charter.

IV. **REVOCAION OF A CHARTER:**

- A. A charter may be revoked on the recommendation of the GM 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.
 - 6. Violation of IRS rules.
 - 7. See Association Bylaw 8.04, 8.4.3 for Process of Revocation

V. **CLUB DISSOLUTION:**

- A. If a club charter is disbanded, dissolved, or revoked prior to formal dissolution, all club assets (monies and equipment) are transferred to the Association.

- B. If a club has attained an IRS Tax Status 501(c)3, the RAM will assist clubs in effecting dissolution. All club incurred debts and fixed and/or portable equipment disbursement must be satisfied prior to the final dissolution.

Chapter 3

MEMBERSHIP

I. CONDITIONS:

- A. 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 approved annually by club membership.
- B. Honorary and Lifetime Memberships are not allowed in Chartered Clubs.
- C. Prospective Members are Sun City West residents qualified to join Chartered Clubs. Club Bylaws shall define the number of visits to the club before being required to join.
- D. Membership validation is required by Chartered Clubs to ensure club members are in good standing.
- E. Membership Report (CR-15) contains each member's name and Recreation Card number as of Dec. 31. Submit to the RAM by Feb. 15 of the following year.

II. DISCIPLINE:

- A. Disciplinary action is necessary when members threaten the safety of themselves or others, are abusive, blatantly create turmoil, disruption, or dissension among club members, clubs, or the Association in general. 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 CR-16 (Chartered Clubs Disciplinary Actions), and copies forwarded to the RAM and Chartered Clubs Committee Chair.
- B. Disciplinary procedures:
 - 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 2 weeks).
 - a. Member may appeal a suspension with written notice to the Club Board, RAM and Chartered Clubs Committee Chair.
 - b. Appeal will pause suspension until ruling, member rights and privileges continue until ruling is complete.
 - c. Appeal is heard at a scheduled meeting with RAM, Chartered Clubs Committee Chair and other individuals approved by the RAM.
 1. Member in question and Club President or presiding officer presents their case.
 2. Ruling is made based on majority consensus.
 3. RAM will forward appeal ruling to Club Board and Member.
 4. Member may appeal ruling by written notice to the RAM requesting a hearing with the Governing Board with form CR-16a (Governing Board Hearing) procedure. Request is forwarded to the GM. Further disciplinary action requests by a Club Board are forwarded to the GM by the RAM with a copy of the disciplinary actions to date.
 - a. GM may suspend member up to 60 days.
 - b. Club Member termination may be recommended by the GM to the Governing Board.
 - c. Severe cases of adverse Club Member behavior may be cause for suspension of Association membership rights and privileges (e.g., 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 GM following the same Process of Revocation procedures as described in Association Bylaw 8.04, 8.4.3 after completion of procedures listed above.
- C. Safety Discipline:
1. 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.

2. 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, club, and the Association.
 3. Any suspension of privileges based on safety concerns may be appealed to the RAM.
 4. Appeal process is as described above in c. 4.
- D. Infractions addressed and corrected immediately do not require further action or documentation. Infractions which result in legal involvement (e.g., physical altercation) will move directly to the GM for recommendation to the Governing Board.
- E. 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, is considered an expression of “no contest” by the person. The Governing Board may accept all reports and testimony as true.

III. GUESTS:

- A. Club Guests using equipment and/or supplies or participating in club activities within the club are defined in Club Bylaws.
- B. Guests may not be admitted to a club activity unaccompanied by a member except for special events requiring tickets, and per Club Bylaws.
- C. Guests may not have greater privileges than a club member, displace club members when facilities/space are limited, impose non-reimbursed expenses on the Association, or diminish the attractiveness of Association membership by obtaining its benefits without taking on its obligations.

IV. SPECIAL EVENTS:

- A. Chartered Clubs are allowed 2 free special events per year either designated on CR-6 (Facility Social Reservation) submitted annually or the CR-11 (Special Event or Tournament Request with Nonresidents) during the year.
- B. Additional Special Events are allowed at the club’s expense. Submit CR-11.

V. RECIPROCITY:

- A. 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.

- B. The club membership must approve reciprocal play/event every year with the submission of the CR-14a (Reciprocal Agreement) for approval.
- C. Written approval from reciprocating community management is required.
- D. Scheduled activity of comparable times and participants on similar facilities is allowed without being required to pay a guest fee.
- E. Subs for reciprocal play/event must be from the reciprocating community.

Chapter 4

ALLOCATION OF SPACE

I. ASSIGNMENT OF SPACE:

- A. Space is determined by Association Policy Fa 6, gb.suncitywest.com, and is dependent on effective utilization of available space, active participation by its members and space requirements for its general membership meetings.
- B. 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 full-time 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 to be used by the Association's members for the express purpose of pursuing and encouraging those activities.

II. SCHEDULING/RESERVATIONS:

- A. The primary responsibility for scheduling the Association's facilities and coordinating activities rests with the RAM's office.
- B. Chartered Club Presidents must submit a Form CR-6 (Club Activity Calendar) online to the Facility Scheduling Office between May 1 and May 15 for the following year (Jan. 1-Dec. 31). The CR-6 identifies 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 throughout the calendar year. It does not include club

committees or other sub-elements of a Chartered Club. Clubs with assigned space should use that space for board meetings.

- C. Based on facility availability, clubs may request a change to their regular schedule by submitting an updated CR-6.
- D. A CR-14 Form (Facility Reservation Request) is submitted to the RAM's office for each facility space request, including changes, by the Club President or designated officer.
- E. The Association has the right to pre-empt a Chartered Club's reserved space if 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.
- F. When a rental fee is applicable for use of a facility by a Chartered Club, a Facility Reservation Confirmation is completed at the time of the request. Pertinent reservation information is recorded and kept on file.
- G. Clubs may be responsible for certain supplies and/or equipment provided by the Association for confirmed meetings/events. See appendix for Club Price Sheet.
- H. Club President is responsible for ensuring all facility reservations are correct.

Chapter 5

OPERATIONS

I. CHARTERED CLUB RESPONSIBILITIES:

Clubs are responsible for:

- A. establishing Club Bylaws, membership adherence, and access. See appendix CR 3 (Sample Club Bylaws).
- B. ensuring attendance/participation in club activities/events follows Club Bylaws and RR&Ps.
- C. club member/non-member check-in and online submission of Club Roster Template (see appendix).
- D. fair and equitable membership use of club facility, equipment, and supplies.
- E. controlling commercial/mass production per Club Bylaws. Club members are prohibited from mass producing for the purpose of individual profit.
- F. not allowing individual club member sales transactions involving non-club members on Association property.

- G. ensuring club infractions and violations are followed as described in Club Bylaws and RR&Ps, Chapter 3, Discipline.
- H. Association website, and may contract at their expense, an external website with approval of The Recreation Center Information Technology Department.
- I. ensuring displays warrant public view. Displays may contain artist name only.
- J. Treasurer duties as defined in Chapter 8, Finance, and IRS compliance.

II. OFFICERS/ELECTIONS:

- A. Clubs must have a minimum of four officers: a president, a vice-president, a secretary, and a treasurer to retain their Charter. Clubs may have additional elected board members per Club Bylaws.
- B. All club members are eligible to be officers or board members.
- 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. Current club board shall NOT receive compensation of any kind for their services.
- F. The outgoing board educates the incoming board on Club Bylaws and RR&Ps. As new officers are elected or appointed, clubs complete Form CR-5 (New Club Officers and Rules, Regulations and Procedures for Chartered Clubs Affirmation Report), and forward it to the RAM within 14 business days after election or appointment.
- G. New club presidents reference CR-5a (Passing the Torch) in appendix for valuable list of responsibilities.

III. MEETINGS:

- A. There will be a minimum of 3 general membership meetings conducted each year. One of the General Membership meetings shall be the annual election of Club Board.
- B. The Club's Board will meet as needed to ensure club business is kept current and are open meetings.
- C. Voting may be done in person, by paper ballot, or any generally accepted other technologically assisted solution and retained in club records.

- D. Club officers are required to attend Officers Meetings called by the Rec Center. The purpose of these meetings is to update policies, clarify procedures and discuss mutual concerns.
- E. Membership meetings should not have as their primary purpose a social event.

IV. RECORDS:

- A. The official club file will be kept by the office of the RAM and takes precedence over any other versions.
- B. 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

V. PARTICIPATION DATA:

- A. 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 software monitored, discussed with the club, and may result in space allocation modifications. The Association will assist clubs in resolution.
- B. Chartered Clubs submit CR-4 forms for offsite activities (Monthly Participation Report) to the RAM.

VI. OPERATING HOURS:

- A. All arts & crafts clubs 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. Requests for regular operating hours are made when submitting CR 6.

VIII. PUBLICITY:

- A. A club's mailing list, similar documents derived from any club documents, (either physical or electronic), are used only for distribution of club newsletters or other official club business. A club membership roster may not be sold or used for non-club solicitation.
- B. Any advertising must have prior RAM approval. 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.

- C. Instructors performing services held in Recreation Center of SCW facilities shall not advertise these services.
- D. The office of the RAM will accept flyers for distribution to all centers.
- E. Chartered Clubs may not endorse or support causes/propositions or candidates for elective office other than their own internal elections. See Policy L 04.
- F. All clubs must adhere to the advertising, sponsorship, and signage policies of the Association. Policy Fa 7/Fa 10, gb.suncitywest.com.

Chapter 6

SAFETY/HEALTH

I. CLUB MONITORING:

- A. Club Bylaws should set forth club membership monitoring requirements and any membership privileges which may be denied for non-compliance.
- B. Club members who monitor are given the responsibility and authority of supervising a facility, participants, and the use of equipment within that facility per Club Bylaws.
- C. To ensure everyone’s safety, there must be a monitor and club member or at least 2 club members on site whenever any club is utilizing any recreation facility or facility, must be closed. 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.
- D. Chartered Clubs are very different, and titles and duties will vary per club.

II. SAFETY:

- 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. At no time will any electrical or gas operated equipment (such as kilns, etc.) be energized and left unattended.

- C. A copy of the club's recommended safety rules and any changes made must be forwarded to the RAM for review and subsequent approval.
- D. At a minimum, the written rules delineate the safe operating policies for all equipment and be posted appropriately.
- E. Certain activities may require participants to sign a Waiver of Liability. See appendix.

III. ACCIDENT/INCIDENT/INJURY REPORT:

- A. Any accident/incident/injury occurring in the Association's facilities and those requiring medical attention are reported to the Facility Supervisor within 24 hours using Form RC 20-5 (Accident/Incident/Injury Report).
- B. Clubs are responsible for documenting pertinent details of an accident/incident/injury during club scheduled activities on Association property in the club records.
- C. Clubs are responsible to educate membership, provide forms at scheduled events and submit Form RC 20-5.

IV. ALCOHOL:

- A. The sale of alcoholic beverages is prohibited in all the Association's facilities, except those displaying Arizona State Licenses. Information is available at azliquor.gov.
- 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. 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 and wine) with the Association's employees serving and dispensing the alcoholic beverages. (Association Policy Fa 9) gb.suncitywest.com.

V. **SMOKING:**

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.

VI. **GAMING:**

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

Chapter 7

CLASSES/CONTRACTS/EQUIPMENT/FACILITIES

I. **INSTRUCTIONAL CLASSES/LESSONS:**

- 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.
- B. Chartered Clubs instructional classes and/or series of lessons ensure the widest dissemination to allow all its members a fair and equitable opportunity for participation. Procedures and/or qualifications are defined in Club Bylaws.
- C. Clubs are encouraged to seek instructors from within their membership or those of other chartered clubs.
- D. A club board is responsible for determining instructional program needs, the qualifications of instructors, and class schedules. In addition, only club elected officers are authorized to negotiate class fees and contractual relationships with the concurrence of their board. (See contract section)
- E. Club member(s) may be dismissed from a class by the club's board upon recommendation of the contractor or instructor. In such cases, the club board and the contractor determine whether a refund shall be given.
- F. 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.

- G. 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) may not be given during times that would preclude other members from enjoying the facilities.

II. **CONTRACTS:**

- A. Examples of contract services are dance bands, instructors, bridge directors, dance callers, lecturers, entertainers, or any other similar service provider. 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.
- B. Form CR-8 (Independent Contractors Agreement) must be signed by the contractor and Club President and forwarded RAM.
 - 1. Services provided by other Chartered Clubs are not subject to this provision.
 - 2. Form CR-8 is not required for food catering services.
 - 3. ~~An officer of a club may not be contracted as a paid independent contractor of a club in which he/she belongs unless approved by RAM.~~ **Chartered Clubs may provide payments to club members, providing those payments are reasonable compensation for performing necessary instructional services.** (Attorney Insertion as of Dec 14, 2021 – has not been approved by Governing Board)
- C. A club may not employ anyone including a club member.
- D. All monies collected for the "Independent Contractor Services" are paid to the club treasurer and deposited into the club's account. The treasurer pays the contractor the contract fee by check.
- E. 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.

III. **EQUIPMENT AND INVENTORY:**

- A. Ownership of all club purchased or acquired fixed 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 for their Club's usage. All repairs to or replacement of a club's equipment is borne by the respective club.

1. Items exceeding \$300:
 - a. All club equipment with a unit purchase price exceeding \$300 is inventoried each year during the month of December using the Equipment Inventory List provided by the Association's Finance Department.
 - b. A copy of the list is retained in the club's fixed asset inventory.
 - c. Once the inventory has been completed and reconciled with related purchase and disposition documents, it is approved by the club president, and the original submitted to the RAM no later than Dec. 31.
 2. Items under \$300:
 - a. 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 (specified in Club Bylaws) for portable equipment, resale supplies or any other asset category with significant value or that is easily pilfered.
 - b. A copy of this inventory is submitted to the RAM, along with the annual equipment inventory of items valued over \$300 to be included in the Association's property insurance coverage. Inventory lists include date purchased, serial/model number and cost.
- 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, is 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 RAM.
- 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).
1. Processing Form CR-10 is completed within 7 business days of receipt of request. If more time is required, 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 RAM for processing.
- F. Trade-in of Equipment: Trade-in of equipment is allowed in conjunction with the purpose of a replacement item. Clubs desiring to use a trade-in item identifies appropriate facts and justification in writing (Form CR-10) online.
- G. Sale of Equipment: Clubs may be authorized to sell inventory equipment when the monies derived will be used toward the purchase of new or replacement equipment. Access and submit CR-10 (Request to Purchase Equipment) online.
1. Conduct sales “as is” in a “sealed/closed bid” format for items valued over \$300.
 2. Extend sales to the full club membership for a minimum of 10 business days.
 3. Provide copies of all purchase documentation for the new item and forward to the office of the RAM for inventory accountability. Include a summary of the sale item disposition, e.g., number of bids received, sale price, name/address of buyer.
- H. Donation, Memorialization, Naming and Advertising Guidelines is referenced in appendix for such request. Policy Fa 02 (gb.suncitywest.com).

VI. FACILITIES:

- A. Repair and Maintenance of Facilities: Club officers complete and submit online Form CR-12 (Request for Repair/Maintenance to Existing Facilities) for all facility repair and maintenance needs.
- B. Requests for interior remodeling under \$5,000:
1. Clubs are not allowed to modify or repair any of the facility building or infrastructure which include items attached to the building without Recreation Center approval. Clubs may bear the cost of materials and labor. If shared space or community use area, the Association will determine amounts. All labor is performed or supervised by the Association Maintenance Department.
 2. Submit online Form CR-13 (Request for Interior Remodeling of Existing Club Facilities), with documentation.
 3. The Club substantiates the need with maximum utilization of facility space such as scheduling use, membership, participation, and club longevity with written endorsement of membership (minutes).
 4. Request is evaluated for program need, urgency, safety concerns, maintenance, repair, replacement of like kind or as a new capital project that benefits the community.

5. The GM may request a financial contribution from a club for a capital project request. Upon agreement, the GM will secure the contribution prior to the start of the capital project.
- C. Requests for remodeling or expansion over \$5,000:
1. In addition to above, submit CR-13a "Remodeling Requests Over \$5,000".
 2. Submit capital project requests by July 1 for consideration in the following year budget.
 3. Requests are reviewed by October by the Chartered Clubs Committee, as appropriate, for need versus want, Properties Committee for facility/space availability and Budget & Finance Committee for financial responsibility.
 4. Standing Committee recommendations are forwarded to the Governing Board Workshop.

Chapter 8

FINANCIAL

I. GENERAL INFORMATION:

- A. Chartered Clubs are separate financial entities from the Association.
- B. It is recommended Chartered Clubs with revenue concerns engage professional counsel for tax matters, legal issues, or financial practices. The club is financially responsible for the professional counsel.
- C. Sales, fundraisers, and taxes are individual club related issues that each club addresses independently per their 501(c) classification.
- D. Chartered Clubs may apply and qualify for any 501(c) 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 irs.gov.
- E. The Association reserves the right to review club financial records and related documents. Refusal to cooperate jeopardizes the club's charter.

II. BANK ACCOUNTS:

- A. Bank accounts are for the financial operations of Chartered Clubs and must be IRS compliant.
- B. All bank accounts shall be in the name of the club and continue through succeeding administrations.
- C. 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 acquisition cost, useful life, and 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.

III. TREASURER:

- A. The treasurer properly records all club member and non-member revenues and expenses.
- B. The treasurer oversees 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.
- C. Depending on the authorization limits set by the Club's Bylaws, the President, or other board members may be designated as a secondary signatory.
- D. The treasurer issues a report to be presented at the General Membership meetings. Clubs should adopt a format.
- E. Treasurer submits Form CR-7 (Annual Financial Statement) to the RAM.

IV. OPERATING PROCEDURES:

Operating Procedures include procedures that:

- A. identify the necessary prerequisites to effect basic financial transactions.
- B. preclude a single individual from ordering, receiving, stocking and dispersing resale merchandise.
- C. requires dual signatures on the club's check over a designated dollar limit as provided for in the Club Bylaws.
- D. accounts for all monies received, identified as member or non-member, deposited in a club's bank account, and duly recorded.
- E. disburses funds by a club check or an established petty cash fund, with backup documentation including invoices or signed receipts as applicable.

V. INSURANCE:

- A. 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.

- B. Association coverage may or may not apply to club activities outside the community. Clubs should check with the RAM for clarification of their liability coverage outside of Sun City West.
- C. 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
- D. The Association has fidelity coverage regarding the acts of its employees and trustees, the coverage is extended to the Chartered Club's activities
- E. Club negligence resulting in an insurance claim may cause club to be responsible for insurance deductible.

VI. INTERNAL REVENUE SERVICE (IRS) REQUIREMENTS:

- A. Internal Revenue Service requires Form 990 or 990EZ or 990 N, 990 T, to be filed by the 15th day of the 5th month after the organization's accounting period ends.
- B. Revenue Service (IRS) requires Form 1099 MISC to be filed for each contractor exceeding the current IRS threshold. A single Annual Summary and Transmittal (Form 1096) is used to summarize all the 1099 MISC forms.
- C. After filing tax returns, a signed copy of each return is provided to the RAM.

VII. FINANCIAL RECORDS:

- A. All financial transactions (defined as all movement of funds through the club's account) are recorded in the treasurer's records and retained for a period of 7 years (prior to the current year).
- B. Clubs are required to submit Form CR-7 (Annual Financial Statement) to the RAM by Feb. 15 for the preceding calendar year. This annual report is signed by a club appointed individual who is independent of the club's board and has sufficient financial skills to provide a certification of accounts and records.