

SAN DIEGO COMPUTER SOCIETY

SPECIAL INTEREST GROUP GUIDELINES

Definition of Terms:

The San Diego Computer Society, herein referred to as "SDCS", is a tax-exempt non-profit 501c(3) corporation registered in the State of California. SDCS was established to benefit computer enthusiasts in the San Diego area. It does this by educating, organizing events, and promoting activities that benefit the public as well as its direct membership.

Various specialty groups may organize under the umbrella of SDCS. A specialty group such as this is herein referred to as Special Interest Group, or "SIG", and is a subordinate group within SDCS. Each SIG may or may not have a full Board of Directors, bank account, membership fees, etc., depending upon the size and financial needs of the SIG.

This agreement is intended to define the relationship of SDCS and a SIG, the requirements and commitments each has to the other, and the means by which SDCS and / or a SIG can terminate the relationship.

SIG Requirements:

Minimum to Qualify

A SIG shall have a minimum of ten members to qualify and remain active as a SIG within SDCS. It is mandatory that each and every member of a SIG be a member of SDCS.

Should a SIG's membership drop to fewer than ten at any time, it shall be at the sole discretion of the SDCS Board of Directors whether to continue providing benefits to that SIG. The SDCS Board shall notify the SIG leader of impending action in writing no less than 30 (thirty) days prior to withholding or terminating a SIG's benefits. Should the SIG satisfy the minimum membership requirements in that time, the SDCS Board shall immediately halt any suspension of benefits to that SIG. Note: any suspension of benefits to a SIG will not adversely affect the benefits offered to the SDCS members. Only those benefits specific to the activities of the SIG can be affected.

Leadership and Contact Information

Each SIG shall have an official postal mailing address and a designated leader, and such information shall be maintained with the Secretary of SDCS. Postal mailings sent by SDCS to such an address shall be accepted as constructive notice. This will satisfy SDCS' responsibility for such mailing, even if that recorded postal address has become invalid or is not maintained by the SIG. It is specifically and solely the SIG's responsibility to keep and maintain an official postal address, and to update that information in writing to the SDCS Secretary and/or Board.

Should a SIG member or leader be found by the SDCS Board of Directors to have committed a breach of ethics, violated SDCS bylaws, or applicable Federal, State or local law, the SDCS Board of Directors may, by majority vote, expel that person from SDCS. As SDCS membership is required of all SIG members, that person would thus be ineligible to remain a member of any SIG. Only the SDCS Board of Directors can alter such eligibility status.

SDCS Board Representation

Each SIG shall designate and send at least one representative to each monthly SDCS Board meeting. An SDCS Board member who is also a member of any SIG satisfies that requirement. Only representatives who are also SDCS Board members shall be allowed to vote. However, the representative shall be allowed to speak on behalf of the represented SIG to address issues concerning that SIG's membership. The SIG shall designate its primary and alternate representatives at the beginning of each membership year and as changes may occur, and so notify the SDCS Board. Failure of a SIG to be properly represented, as explained above, is considered just cause for the SDCS Board to suspend that SIG's benefits.

Attendance / Membership Auditing

SIGs are required to take and report attendance numbers at each meeting and / or event. The results of each count shall be submitted each month with the financial (banking) reports to the SDCS' Treasurer. If no financial reports are required of a SIG, the attendance reports may be submitted to the SDCS' Secretary either by e-mail or postal mail.

Payable by the SIG to SDCS

Starting with the adoption of these SIG guidelines, the SDCS membership fee is \$6.00 (six dollars) per membership year. Each SIG is responsible for collecting and paying this membership fee to SDCS, in accordance with SDCS accounting guidelines. SIGs are free to designate their own membership dues, beyond the SDCS dues. Each member of a SIG is required to be a member of SDCS, and is thus entitled to all benefits of SDCS membership.

Accounting Requirements

SIGs not collecting more than the standard SDCS membership fee are neither required to have a bank account nor formal leadership including President and Treasurer. However, if a SIG collects more than SDCS' basic membership fee, the SIG must have at a minimum a President and Treasurer. The two positions cannot be simultaneously held by one person. Income derived from donations, raffles, and other activities mandate such a bank account.

SDCS' accounting requirements for SIGs required to maintain a bank account are as follows:

- 1) The SIG must maintain a bank account with SDCS' Federal Tax ID;
- 2) The SIG must have a Treasurer separate from the President;
- 3) The SIG's accounting will be subject to audit by the Certified Public Accountant (CPA) retained by SDCS. The SIG is required to use the standardized Chart of Accounts as defined by the SDCS' CPA. The Chart of Accounts will be supplied by SDCS at no charge to the SIG.
- 4) The SIG will provide the SDCS' Treasurer a copy of each month's reconciled bank statement within 15 (fifteen) days of the close of each monthly banking period.
- 5) The SDCS's President and Treasurer shall be noted on the bank account as authorized to verify accounting transactions and balances. The SIG's Treasurer shall, upon demand,

supply the SIG's accounting and related documentation (checks, receipts, etc.) within 30 (thirty) days to the SDCS' Treasurer and/or CPA for auditing. Each SIG must keep these records in an orderly fashion and readily available to SDCS.

Payment Schedule and Determination of Contribution Amount

Each SIG shall pay its full membership contribution to SDCS within 30 (thirty) days of the close of the membership year. The SDCS Board of Directors shall be the sole party responsible for setting the starting date of the membership year.

The amount currently payable to the SDCS by the SIG is the greater of:

- 1) \$60 (sixty dollars) per SIG, based upon a minimum of 10 (ten) members to qualify as a SIG;
- 2) \$6 per member when verified by a membership list, subject to acceptance by the SDCS as a valid representation of the SIG's members;
- 3) \$6 per attendee as established by averaging the attendance at the SIG's three largest meetings and/or events in the membership year.

Any demand for additional monies to SDCS shall be applied proportionately to all SIGs. The SDCS Board, by majority vote, may reasonably adjust the basic membership contribution (currently \$6 per member) to meet the basic SDCS expenses. Special, or unusual expenses, do not qualify as justification to increase the basic membership fee.

Neither a SIG, nor any individual member acting on behalf of a SIG, shall incur any debts or obligations on behalf of SDCS or its membership. Only the SDCS Board of Directors is authorized to enter into agreements or contracts which extend beyond the membership of any single SIG.

Ownership of Assets and Monies

The monies held by a SIG are required to be in bank accounts with the SDCS' Federal tax ID, and legally are assets of SDCS. SDCS stipulates that each SIG shall have autonomy in how those assets are used. It is understood that those assets shall be used in a manner that benefits the SIG membership and is consistent with SDCS' status as a non-profit 501c(3) organization. While such bank account may be referred to as the "SIG's account," it is understood that the monies held in that account are legally SDCS property and therefore subject to management as outlined in this agreement.

Separation of a SIG from SDCS

In the event that a SIG chooses to sever its relationship with SDCS, the following procedure shall be executed:

- 1) The SIG shall be in good standing with SDCS, including full and current payment of SDCS membership dues to SDCS.
- 2) The SIG's authorized representative shall notify the SDCS Board in writing at a regularly scheduled SDCS Board meeting of the SIG's intention to sever its relationship with SDCS.

- 3) The SIG shall directly transfer within 30 (thirty) days all of its funds and assets to SDCS. All assets of legitimate and notable value to the public and acquired by the SIG with SDCS funds shall be itemized with an estimated value, and such inventory shall be provided to the SDCS Board within the first 30 (thirty) days from notice of intention to separate. All records of the SIG shall be similarly provided to SDCS or its certified public accountant (CPA) for an immediate audit. The SDCS President and / or Treasurer shall then verify that the bank account has been closed, and so report to the SDCS Board of Directors.
- 4) In the event that the SIG wishes to immediately reorganize itself as a registered non-profit 501c(3) organization in the State of California, the SIG can regain those assets. The SIG must show proof to the SDCS Board of Directors that it has reorganized as a 501c(3) organization in the State of California. The SIG must apply for 501c(3) status as a non-profit organization in the State of California within 60 (sixty) days of the date that SDCS received the notice of intention to separate.
- 5) Such 501c(3) status shall verified by the SDCS' CPA who shall report to the SDCS Board within 30 (thirty) days of the SIG's written notice to SDCS. This report shall verify that (1) the 501c(3) status has been approved, and that (2) the accounting audit of the SIG has been completed with no liabilities or outstanding debt.
- 6) When those two points have been met, SDCS shall make a charitable donation within 15 (fifteen) days to this new non-profit 501c(3) corporation. The amount of this donation shall equal the full amount of monies held in the SIG's bank account at the time it was closed and transferred to SDCS, less reasonable accounting expenses incurred in the separation process. SDSC shall also donate to the SIG those tangible assets as listed in the inventory.

The SDCS Board of Directors, by two-thirds vote, may expel the SIG from the SDCS for failure to abide by this agreement. The SDCS shall notify the SIG's leader of record in writing no fewer than 60 days prior to said vote of the SIG's failure to comply with this agreement. All parties shall consider that time as a reasonable opportunity for the SIG to return to compliance. If the SIG does not satisfactorily return to compliance of this agreement, the SDCS may vote to expel the SIG. If a SIG is expelled from the SDCS, the SIG shall immediately surrender all funds and tangible property to the SDCS.

SIG and SDCS Member Benefits

SDCS shall provide the following at no additional charge to each SIG in good standing:

- 1) Liability insurance with coverage no less than \$1,000,000 (one million dollars) for official SIG-sanctioned events. Proof of said insurance shall be supplied in a timely manner by SDCS upon demand by any SIG;
- 2) A fair distribution of available meeting rooms as provided by public and/or government agencies for use by SDCS;
- 3) Individual member benefits and discounts as offered by vendors;

- 4) Annual financial accounting by a certified public accountant, in accordance with legal requirements of SDCS as a 501 c(3) corporation;
- 5) Inclusion of the SIG's information and website link on the SDCS' website.

Terms of Agreement

This agreement is understood to be the only contract governing the relationship between SDCS and SIGs, superseding any prior agreement, and may not be modified by either party. Any and all amendments to this contract must be in writing and signed by the authorized representative from each party. In the event that any section of this agreement is found to be invalid or unenforceable, the remainder of the agreement shall remain valid.

This contract is agreed upon and entered into by the undersigned.

San Diego Computer Society

Representative: _____

Printed: _____

Title: _____

Date: _____

Special Interest Group: _____

Representative: _____

Printed: _____

Title: _____

Date: _____