

## New Local League Starter Kit

On April 18, 2017, the LWVUS board approved a new membership engagement model and new local League recognition standards. It provides the beginning framework for:

1. Simplifying and streamlining internal administrative practices for state and local Leagues;
2. Focusing our organizational energy on programs that make an impact; and
3. Leveraging new interest in the organization while letting go of processes that slow us down.

State Leagues are now free to serve as the administrative hub of new Leagues groups formed in their communities. This means state Leagues could, if they so choose, take on administrative functions, membership and record keeping, tax/IRS reporting, and other functions for new local League groups or existing Leagues who so choose. In turn, the new local groups would achieve recognition by LWVUS if they met basic criteria.

New local Leagues should focus on these three steps to start:

- Understand our nonpartisan policy [<https://www.lwv.org/league-management/policies-guidelines/developing-and-implementing-nonpartisan-policy>] and our DEI policy [<https://www.lwv.org/league-management/bylaws/dei-policy-webinar>] establish each for your League;
- Identify the leadership of the group and establish communication channels with the state; and
- Engage in our mission work – through state and national programs.

### Criteria for LWVUS Recognition of New Local Leagues

- Leadership group, consisting of chairperson and at least 2 other members.
- Have a non-partisanship policy, have a DEI policy, subscribe to League positions, and respect other Leagues' jurisdictions/ use name of LWV.
- Partnership with state (or national) League to uphold business best practices to minimize risk and liability, such as IRS reporting.

State Leagues should decide whether to explore the new flexible model. If yes, look at what next steps are needed and how this fits with current structures in your state. If not, states should be prepared to provide guidance to new local Leagues on what logistical steps are needed for traditional recognition, such as bylaws and formal governance structure.

All Leagues need to apply for LWVUS Board of Directors recognition to officially be considered a League of Women Voters local League. The application can be found [here](#).

This documents include sample:

- Bylaws
- Nonpartisan Policy
- DEI Policy
- Memorandum of Understanding, including agreements on
  - Per Member Payment and Collection MOU
  - Database Entry

- IRS Reporting Status
- Money Flow
- Liability Coverage

If the local League will be administering itself, please refer to the below checklist with resources:

- Designate a member to act as roster manager and work with LWVUS staff to set them up with credentials in our roster portal.
- Apply for an EIN: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- Apply for Tax Exempt status:
  - Leagues should file as a 501c4 with an optional 501c3 if needed. Please review the different criteria and limitations and determine which is best for your Leagues.
    - 501c4: <https://www.irs.gov/charities-non-profits/other-non-profits/social-welfare-organizations>
    - 501c3: <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations>
- Open bank account under the League's name
- Obtain liability coverage

Any new local League should also:

- Follow state guidelines for formal recognition
- Contact [communications@lww.org](mailto:communications@lww.org) to obtain logo files that fit our brand standards: <https://www.lww.org/league-management/communications/brand-standards>.
- Review LWVUS's Services to Leagues: <https://www.lww.org/league-management/policies-guidelines/guide-lwvus-services-leagues>
- Establish Bylaws. The first three Articles should match the name and intent of the LWVUS's and all Leagues should have a nonpartisan and DEI policy per the second Article. Sample bylaws can be found at <https://www.lww.org/league-management/leadership-development/sample-bylaws-template>.

## Draft Nonpartisan Policy

The League of Women Voters of \_\_\_\_\_ may take action on governmental measures and policies, but it shall not support or oppose any political party or any candidate.

Recognizing that the League experience uniquely equips members for public life and wishing to encourage members to utilize their knowledge and abilities, non-Leadership Team members are urged to participate fully in political activities (on an individual basis). Leadership Team members' activities must be limited to preserve the League's nonpartisan status.

No Leadership Team member shall run for or hold elective office. If a Leadership Team member declares for an elective office, the member should resign from the Leadership Team. Public notices released by the League announcing the resignation of a Leadership Team member to run for such an office should be carefully worded to avoid the appearance of endorsing the resigning board member's candidacy.

Leadership Team members shall not undertake any action that will cause them to be identified publicly as supporting any candidate for office or any political party. The Leadership Team members shall not participate in any political campaign in any way.

A Leadership Team member may serve on any public board, commission, committee, or coalition; however, that Leadership Team member does not represent the League unless officially designated as a League representative by the League Leadership Team.

A Leadership Team member may not speak or in any way work against a League position.

The political activities of a spouse or relative of a Leadership Team member are to be considered as separate and distinct from the activities of the Leadership Team member.

## Draft DEI Policy

The League of Women Voters of \_\_\_\_\_ is an organization fully committed to diversity, equity, and inclusion in principle and in practice. Diversity, equity, and inclusion are central to the organization's current and future success in engaging all individuals, households, communities, and policy makers in creating a more perfect democracy.

There shall be no barriers to full participation in this organization on the basis of gender, gender identity, ethnicity, race, native or indigenous origin, age, generation, sexual orientation, culture, religion, belief system, marital status, parental status, socioeconomic status, language, accent, ability status, mental health, educational level or background, geography, nationality, work style, work experience, job role function, thinking style, personality type, physical appearance, political perspective or affiliation and/or any other characteristic that can be identified as recognizing or illustrating diversity.

## BYLAWS OF THE LEAGUE OF WOMEN VOTERS OF \_\_\_\_\_

### ARTICLE I

#### Name

The name of this organization shall be League of Women Voters of \_\_\_\_\_, hereinafter referred to in these bylaws as \_\_\_\_\_ or as the League. This local League is an integral part of the League of Women Voters of the United States, hereinafter referred to in these bylaws as LWVUS, and of the League of Women Voters of (state).

### ARTICLE II

#### Purposes and Policies

**Sec. 1. Purposes.** The purposes of the LWVUS are to promote political responsibility through informed and active participation in government and to act on selected governmental issues.

**Sec. 2. Policies.** The policies of the LWVUS are

1. **Political Policy.** The League shall not support or oppose any political party or any candidate.
2. **Diversity, Equity & Inclusion Policy.** The League is fully committed to ensure compliance - in principle and in practice - with LWVUS' Diversity, Equity, and Inclusion Policy.

### ARTICLE III

#### Membership

**Sec. 1. Eligibility.** Any person who subscribes to the purposes and policy of the League of Women Voters shall be eligible for membership.

**Sec. 2. Types of Membership.**

A. **Voting Members.** Persons at least 16 years of age who join the \_\_\_\_\_ shall be voting members of the local and state Leagues of their place of joining and of the LWVUS. Those who have been members of the League for 50 years or more shall be honorary life members, excused from the payment of dues.

B. **Associate Members.** All others who join the League shall be associate members.

### ARTICLE IV

#### Officers

**Sec. 1. Election, Qualifications and Term.** The officers of the \_\_\_\_\_ shall be a president, a vice-president, a secretary and a treasurer. They shall be voting members of the League and shall serve for a term of two years or until their successors have been elected or appointed and qualified.

**Sec. 2. The President.** The President shall have such powers of supervision and management as customarily pertain to the office; shall preside at all meetings of the organization and the

board or designate another person to do so; shall be, ex officio, a member of all committees except the nominating committee; may sign or endorse checks, drafts and notes in the absence of the treasurer; and shall perform such other duties as the board may direct. In the event of the absence, disability, resignation or death of the president, the vice-president, in order of their rank, shall assume the office. If no vice-president is able to serve as president, the board shall fill the vacancy from among the elected directors.

**Sec. 3. The Vice-President.** The vice-president shall perform such duties as the president and board shall direct.

**Sec. 4. The Secretary.** The secretary shall keep minutes of the meetings of the membership and of the board. The secretary shall notify all officers and directors of their election and shall sign with the president all contracts and other instruments when so authorized by the board and shall perform such other duties as the president and board shall direct.

**Sec. 5. The Treasurer.** The treasurer shall perform such duties as customarily pertain to the office; arrange for an annual audit of the books; and, at the direction of the board, maintain deposits in authorized financial institutions.

## **ARTICLE V**

### **Board of Directors**

**Sec. 1. Selection, Qualifications and Term.** The board of directors shall consist of the officers of the \_\_\_\_\_, four directors elected by the annual meeting; and not more than four directors appointed by the elected members of the board. Two directors shall be elected in the even-numbered years, and two directors shall be elected in the odd-numbered years. All directors shall be voting members of the League. They shall serve for a term of two years or until their successors have been elected or appointed and qualified. Vacancies other than the presidency may be filled by vote of the remaining members of the board.

**Sec. 2. Powers.** The board shall manage and supervise the business, affairs, and activities of the \_\_\_\_\_, subject to the instructions of the annual meeting. It shall select delegates to state convention and council and to national convention. It shall accept responsibility for such other matters as the national or state board may from time to time delegate to it. It shall have the power to create such special committees as it deems necessary and shall perform such other duties as are specified in these bylaws.

**Sec. 3. Executive Committee.** The board may appoint an executive committee consisting of no fewer than members of the board. The executive committee shall exercise such power and authority as may be delegated to it by the board and shall report to the board on all actions taken by it between regular meetings of the board.

**Sec. 4. Meetings.** At least \_\_\_\_\_ regular meetings of the board shall be held annually. The president may call special meetings and shall call a special meeting upon the written request of \_\_\_\_\_ members of the board. Three consecutive absences from regular board meetings without

excuse shall constitute a resignation.

Sec. 5. **Quorum.** A majority of the members of the board of the \_\_\_\_\_ shall constitute a quorum. Any one or more members of the board may participate in a meeting by means of conference telephone or other similar equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

## **ARTICLE VI**

### **Meetings**

Sec. 1. **Membership Meetings.** There shall be at least \_\_\_ meeting(s) of the membership each year. The time and place shall be determined by the board. Special meetings of the members may be called by the president, the board of directors or upon written request of ten percent of the voting members.

Sec. 2. **Annual Meeting.** An annual meeting shall be held between (date) and (date), the exact date to be determined by the board. The annual meeting shall adopt a local program for the ensuing year; elect officers and directors, the chair and two members of the nominating committee; adopt a budget; and transact such other business as may properly come before it. Absentee or proxy voting shall not be permitted.

Sec. 3. **Quorum.** percent of the voting members shall constitute a quorum at all business meetings of the \_\_\_\_\_, provided written notice of the meeting is sent to the membership at least one week in advance.

## **ARTICLE VII**

### **Nominations and Elections**

Sec. 1. **Nominating Committee.** The nominating committee shall consist of five members. The chair and two members, who shall not be members of the board, shall be elected by the annual meeting. Immediately following the annual meeting, the board shall appoint two of its members to the committee. The term of office for the chair and members of the nominating committee shall be one year. Vacancies shall be filled by appointment by the board.

Sec. 2. **Report of the Nominating Committee.** The report of the nominating committee, containing its nominations for officers and directors and the chair and two members of the next nominating committee shall be sent to the members one month before the annual meeting. The report of the nominating committee shall be presented to the annual meeting. Nominations may be made from the floor immediately thereafter, provided the consent of the nominee has been obtained.

Sec. 3. **Election.** Election shall be by ballot, except that if there is only one nominee for an office, it shall be by voice vote. A majority vote shall constitute election.

## **ARTICLE VIII**

### **Principles and Program**

Sec. 1. **Principles.** The Principles are concepts of government adopted by the national convention and supported by the League as a whole. They are the authorization for the adoption of national, state, and local program.

Sec. 2. **Program.** The program of the \_\_\_\_\_ shall consist of action to implement the Principles and those governmental issues chosen by the annual meeting for concerted study and action as follows:

- a. Voting members resident within the jurisdiction(s) of the local government(s) concerned may make recommendations to the board two months before the annual meeting.
- b. The board shall consider these recommendations and formulate a proposed program, which shall be sent to the members at least one month before the annual meeting.
- c. Issues that relate to specific jurisdiction(s) in the program as presented to the annual meeting by the board shall require for adoption a majority vote of members resident within the jurisdiction(s) of the local government(s) concerned, and followed by a majority vote of concurrence of the members resident outside the jurisdiction(s) of the local government(s) concerned.
- d. Recommendations for program submitted by members resident within the jurisdiction(s) of the local government(s) concerned but not included in the program recommended by the board may be considered by the annual meeting, provided that (1) they were submitted two months before the annual meeting, (2) the annual meeting shall order consideration by a majority vote of members resident within the jurisdiction(s) of the local government(s) concerned, (3) the annual meeting shall adopt the item by a majority vote of the members resident within the jurisdiction(s) of the local government(s) concerned, and followed by a majority vote of concurrence of the members resident outside the jurisdiction(s) of the local government(s) concerned.

Sec. 3. **Changes in Program.** Changes in program, in the case of altered conditions, may be made provided that (1) information concerning the proposed changes has been sent to all members at least two weeks prior to a general membership meeting at which the changes are discussed, (2) final action by the membership resident within the jurisdiction(s) of the local government(s) concerned is taken at a succeeding meeting, with concurrence by the membership residing outside the jurisdiction(s) of the local government(s).

Sec. 4. **Program Action.** Members may act in the name of the \_\_\_\_\_ only when authorized to do so by the appropriate board. They may act only in conformity with, and not contrary to, a position taken by the \_\_\_\_\_, the LWV of (state) and the LWVUS.

## **ARTICLE IX**

### **Financial Administration**

Sec. 1. **Fiscal Year.** The fiscal year of the \_\_\_\_\_ shall commence on the first of July each year.

Sec. 2. **Dues.** Annual dues shall be payable on the first day of the anniversary month of the member joining the League. Any member who fails to pay dues within three months after they become payable shall be dropped from the membership rolls.

Sec. 3. **Budget Committee.** The budget shall be prepared by a committee that shall be appointed





for that purpose at least \_\_\_\_ months before the annual meeting. The treasurer shall be, ex officio, a member of the budget committee but shall not be eligible to serve as chair. The board shall consider the proposed budget and recommend a budget, which shall be sent to the members at least one month before the annual meeting.

**Sec. 4. Distribution of Funds on Dissolution.** In the event of the dissolution of the \_\_\_\_\_, all moneys and securities which may at the time be owned by or under the control of the \_\_\_\_\_ shall be paid to the LWV (state) after the state and national per member payments and other obligations have been met. All other property of whatsoever nature, whether real, personal, or mixed that may at the time be owned or under the control of the \_\_\_\_\_ shall be disposed of to such person, organization, or corporation for such public, charitable or educational use and purposes as the board in its absolute discretion may designate.

## **ARTICLE X Parliamentary Authority**

The rules contained in the current edition of Roberts Rules of Order Newly Revised shall govern the organization in all cases to which they are applicable and not inconsistent with these bylaws.

## **ARTICLE XI Amendments**

These bylaws may be amended by a two-thirds vote of the voting members at the annual meeting, provided that the proposed amendments were submitted to the membership in writing at least one month in advance of the meeting.

Adopted (date), Amended (date), Amended (date)

**DRAFT**

**Memorandum of Understanding**

This is a Memorandum of Understanding between The League of Women Voters of \_\_\_ and the Members at Large of the League of Women Voters in \_\_\_ for the transition of the

\_\_\_\_\_ members to a new League.

In order to be fully recognized as a new Local League, the League of Women Voters in \_\_, must implement the following criteria and any other criteria as determined by the League of Women Voters of \_\_\_:

1. Establish funds for Per Member Payment
2. Report Membership Information
3. Know reporting status and abide by any IRS reporting requirements
4. Money Flow
5. Establish Liability Coverage

This MOU will need to be reviewed by the State League and New League on an annual basis to address any necessary changes that may arise.

The following pages contain information to help facilitate the process of implementing the criteria listed above.

***Disclaimer:*** *The following instructions have been researched to the best of our ability. However, no lawyers were consulted in the drafting of this document. The materials are for informational purposes only and may not reflect the most current legal developments. These informational materials are not intended, and should not be taken, as legal advice on any particular set of facts or circumstances.*



### **Per Member Payment and Collection**

To become a fully recognized League, The League of Women Voters\_\_\_\_\_ must fulfill the Per Member Payment at the standard rate prescribed and required by LWVUS and LWV\_\_\_. This payment is typically collected in July.

The number of members for payment will be determined on January 31<sup>st</sup> of the given year, this will establish the total Per Member Payment that is due to both LWVUS and LWV\_\_\_, in July of the same year. The payment will be automatically withdrawn by the State League and the State League will also make the payment on behalf of the New League to LWVUS. This payment can be withdrawn in up to 4 installments if necessary.

While the Per Member Payment is generally collected through Dues paid to the New League by its members, there are several other options available for collecting the funds to make this payment. These options include: fundraising, donations, and/or any other methods the New League thinks will be successful in raising the fund necessary to fulfill the Per Member Payment that is consistent with the values and bylaws of LWVUS and LWV\_\_\_\_\_.

These funds are generally collected in July at the beginning of the new fiscal year. No funds will need to be collected in July of \_\_\_\_\_(year of recognition, but will need to be collected in July of the following year for the next fiscal year. Any additional funds collected by the New League will be held by the state with the sole purpose of being used to exclusively support the New League unless this New League is dissolved.



### **Database Entry**

The LWV\_\_\_ will be responsible for submitting the initial membership roster and the annually updated roster to LWVUS on behalf of the New Local League. The New Local League will be responsible for collecting member's names and contact information and reporting in to the LWV\_\_\_. The New League will be responsible for reporting any change of contact information to LWVUS.

The New League will collect members' names and contact information, as well as birth dates, and this information will be forwarded to the LWVU\_\_\_. Birthdates are required to track ages of members. All lists are confidential and only used for specific League purposes including eligibility to access League information and benefits as requested by the member.



## **IRS Reporting Status**

The new league must abide by any IRS reporting requirements.

### **For Local Leagues that will be forming under a state League that has 501(c)(3) status please refer to the following resources from the IRS:**

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

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

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

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

Further resources can be found on the IRS website or can be discussed in depth with the State League.

### **For Local Leagues that will be forming under a state League that has 501 (c) (4) status please refer to the following resource from the IRS:**

**Exemption Requirements:** To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare. The earnings of a section 501(c)(4) organization may not inure to the benefit of any private shareholder or individual. If the organization engages in an excess benefit transaction with a person having substantial influence over the organization, an excise tax may be imposed on the person and any managers agreeing to the transaction. See Introduction to IRC 4958 for more information about this excise tax. For a more detailed discussion of the exemption requirements for section 501(c)(4) organizations, see IRC 501(c)(4) Organizations.

New legislation enacted at the end of 2015 added Section 506 to the Internal Revenue Code. Section 506 requires an organization to notify the IRS of its intent to operate as a Section 501(c)(4) organization. The IRS has developed a new form – Form 8976 – that organizations

should use to provide this notification. For information about applying for exemption, see Application for Recognition of Exemption. This requirement only applies to organizations intending to operate under Section 501(c)(4). Organizations operating under any other 501(c) section should not file this notice. To be operated exclusively to promote social welfare, an organization must operate primarily to further the common good and general welfare of the people of the community (such as by bringing about civic betterment and social improvements). For example, an organization that restricts the use of its facilities to employees of selected corporations and their guests is primarily benefiting a private group rather than the community and, therefore, does not qualify as a section 501(c)(4) organization. Similarly, an organization formed to represent member-tenants of an apartment complex does not qualify, because its activities benefit the member-tenants and not all tenants in the community, while an organization formed to promote the legal rights of all tenants in a particular community may qualify under section 501(c)(4) as a social welfare organization. An organization is not operated primarily for the promotion of social welfare if its primary activity is operating a social club for the benefit, pleasure or recreation of its members, or is carrying on a business with the general public in a manner similar to organizations operated for profit.

Seeking legislation germane to the organization's programs is a permissible means of attaining social welfare purposes. Thus, a section 501(c)(4) social welfare organization may further its exempt purposes through lobbying as its primary activity without jeopardizing its exempt status. An organization that has lost its section 501(c)(3) status due to substantial attempts to influence legislation may not thereafter qualify as a section 501(c)(4) organization. In addition, a section 501(c)(4) organization that engages in lobbying may be required to either provide notice to its members regarding the percentage of dues paid that are applicable to lobbying activities or pay a proxy tax. For more information, see Lobbying Issues. The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity. However, any expenditure it makes for political activities may be subject to tax under section 527(f). For further information regarding political and lobbying activities of section 501(c) organizations, see Election Year Issues, Political Campaign and Lobbying Activities of IRC 501(c)(4), (c)(5), and (c)(6) Organizations, and Revenue Ruling 2004-6.



### **Money Flow**

Any funds collected, raised or received through gift or donation, by the New Local League will be held by the State League. These funds will be designated for the use of supporting the New Local League and for nothing else. The per member payment owed to LWWUS will be withdrawn annually.

If the New Local League raises funds exceeding \$25,000 this agreement must be revisited to explore options of the New League becoming their own entity separate from the LWV\_\_or paying an administrative fee to LWV\_\_\_as agreed to by the two parties.

In the event the local leagued is determined to no longer be viable and is dissolved, any remaining funds will be redistributed to the State League.

If the New Local League wishes to access their funds, they will need to submit a grant request form explicitly stating their intention for the funds. If they wish, the State League can also establish other means of transferring funds as they see appropriate.



### **Liability Coverage**

Insurance coverage is essential for carrying out most League events where the public is invited. The new local league will need to ensure that they are covered under the LWV \_\_\_\_\_'s insurance policy. In the event the State League's insurance policy will not cover this new league, the new league must obtain an insurance policy. For guidance purposes, the LWVUS/EF carries a policy of no less than \$1 million coverage for personal injury liability, property damage, and auto liability insurance.