

Treasurer Guidelines - US Sections & Divisions

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14 Fairfield Drive
Brookfield, CT 06804*

Society of Plastics Engineers
www.4spe.org



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An electronic copy of these Guidelines, along with sample forms and other important information, can be found at the SPE Treasurer Resources web page — www.4spe.org/communities/ld/treas_resources.php

INTRODUCTION

The Society of Plastics Engineers' Treasurer Guidelines will provide you with information regarding your roles and responsibilities as a Treasurer of a Section or Division within the United States.

If you have any questions about this manual or Treasurer responsibilities, please contact:

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ROLE OF THE TREASURER

The Treasurer receives all funds paid or contributed and deposits them in a checking or savings account. These funds can come from a variety of sources such as rebates from SPE Headquarters, receipts from special functions or events, sponsorships for Society newsletters, etc.

While the Treasurer may or may not work directly with various committees that collect monies, the Treasurer is responsible for obtaining a full report of such collections for auditing and balancing purposes.

Deposits of any funds should be made in a timely manner such that Society funds are not “sitting around” unsecured for any period of time. Similarly, Society funds should only be deposited into an appropriate Society account and never deposited into personal accounts.

LEADERSHIP SERVICES DEPARTMENT

The Leadership Services Department has the specific purview of providing support to SPE’s Sections, Divisions, Student Chapters and Special Interest Groups (SIGs).

This department:

- Assists Sections and Divisions with general administration through administration workshops, regional Section meetings, Section and Division Board of Directors meeting visits, and staff support at SPE Headquarters;
- Assists with Section and Division newsletters and Section programming;
- Assists with the formation of new Sections, Divisions, SIGs and Student Chapters;
- Provides training in the how to manage a component of the Society (operations, marketing and communications, program development, member and volunteer recruitment, etc.)
- Serves as SPE Headquarters liaison to all Society components (Sections, Divisions, Student Chapters and Special Interest Groups)

BASICS OF BUDGETING

What is a Budget?

It is a plan of action; it represents the organization's blueprint for the coming months or years expressed in monetary terms. This means that the organization must know what its goals are before it can prepare a budget. All too often the process is reversed, and it is in the process of preparing the budget that the goals are determined.

The first function of a budget is to record, in monetary terms, what the realistic goals or objectives of the organization are for the coming year.

The second function of a budget is to provide a tool to monitor the financial activities throughout the year. Properly used, the budget can provide a benchmark that will alert the Board when its financial goals are not being met. For a budget to provide this type of information and control, four elements must be present:

- The budget should be well conceived and approved by the Board.
- The budget should be broken down into increments corresponding to the periodic financial statements.
- Financial statements should be prepared on a timely basis throughout the year and a comparison made to the budget.
- The Board should be prepared to take action where comparison with the budget indicates a significant deviation.

Preparing the Budget

- Prepare a list of objectives or goals for the organization for the year.
- Estimate the cost of each goal listed. For continuing programs, last year's actual expense and last year's budget will be the starting point.
- Estimate the expected income of the organization. Organizations are sometimes overly optimistic in estimating income. This can prove to be the organization's downfall if there is no margin for error; realism must be used or the budget will have little meaning.
- Compare the expected income to the planned expenses. Sometimes the expected expenses will exceed income, and this is where some value judgments will have to be made. What programs are most important? Where can costs be reduced?
- Submit the final budget to your Board for approval.

Where to Begin

One of the best and easiest ways to allocate an annual budget into shorter periods is to first analyze the actual income and expenses for the prior year, and then allocate this year's budget based on last year's actual income and expenses.

For Sections, the budget should probably be prepared on a monthly rather than a quarterly basis to reduce the time lag before effective action can be taken. If the organization's cash position is tight, monthly statements become almost a necessity.

Using the Budget

The best-prepared budget serves little purpose if the Board is unwilling to take action once it becomes apparent that expenses are exceeding the budget or that income has not been as high as anticipated. To be useful, the budget must be a planning device that everyone takes seriously. Thus the monthly statements should be compared to the budget.

BASICS OF BUDGETING (CONTINUED)

Should expenditures exceeding the budgeted expenses, then action should and can be taken. Many budgets fail, not because there is not enough information available, but because the Board fails to take aggressive, corrective action. In these instances, the Board is not fulfilling its responsibilities, and the budget is a meaningless formality.

Developing a Long-Range Plan

So far the discussion has centered on budgeting techniques for the current year. Almost as important, and related, are the techniques for planning further into the future than the 12-month period most budgets use. Sections and Divisions should be constantly alert to changing conditions that may alter their goals or objectives and their sources of income. Otherwise they may find themselves in unexpected financial difficulty.

One of the more effective ways to avoid the unexpected is to prepare and periodically update, a five-year master plan. The purpose of this five-year plan is to force the Board to look ahead and anticipate not only problems but also goals and objectives it wants to achieve.

The development of a five-year plan requires considerable effort, but this effort pays off in giving the Section and Division continuity. The Treasurer can be the person who initiates and pushes the Board toward developing such a plan, but should not single-handedly prepare it. To be effective, any plan of action involving the organization's program and allocation of resources must be developed by all the people who will have to live with the results of the plan.

There is no standard way to go about preparing a five-year plan. Probably the best way to start is to set up a committee of about three people. As with the budget committee, the people chosen for this task should be people who are in policymaking roles within the organization. There is little point in putting a person on this committee who is not both knowledgeable and influential within the organization. Otherwise the resulting document will be of relatively little value to the organization. This committee should: 1) set the goals, 2) estimate the costs, 3) plan for income, and 4) periodically review the master plan for updating.

Summary

A budget can be an extremely important and effective tool for the Board of a Section or Division in managing their affairs. However, to prepare a meaningful budget, the organization must know where it is heading and know its goals and objectives. Priorities change, and this means that many people should be involved in the budget preparation and approval process to ensure that the resulting budget receives the full support of the organization.

Once prepared, the budget should be compared to actual results on a timely basis throughout the year to ensure that the Board knows where deviations are occurring. Equally important, the Board should promptly take corrective action if unfavorable deviations occur. The foundations of a sound financial structure are a well-conceived budget, a timely reporting system, and a willingness by the Board to take corrective action.

The importance of planning into the future cannot be over-emphasized. In this fast-moving age, and because of our ever-changing leadership within the Sections and Divisions, the organization can quickly get out of step and lose continuity. A five-year plan is one technique to help ensure this will not happen.

DISBURSEMENTS

The Treasurer disburses funds in accordance with the annual budget or as otherwise authorized by the Board of Directors. An invoice or other written documentation should be on record before any payment is made.

The Committee Chair or officer in charge of those activities must approve budgeted expenditures in writing. Typically a committee chair signs off his/her approval of an invoice and forwards it to the treasurer for payment.

Expenditures not included in the annual budget must be approved in advance by a majority of the Board of Directors, and the invoices for such expenditures approved by the Chair.

All invoices should be thoroughly checked for accuracy, paid according to terms, and the Treasurer should take advantage of cash discounts when offered.

All payments should be made by check or direct bank transfer, and should require the signatures of two officers if over a predetermined amount as designated by the Board.

It is important that the Treasurer is not solely responsible or authorized to incur expenses, write checks and reconcile bank statements. This does not provide adequate checks and balances to reasonably ensure prudent stewardship of the Society's funds.

CHECKING ACCOUNT & SURPLUS FUNDS

Each Section and Division is to maintain its own checking account as a means of providing a complete financial record.

The account should be set up as follows: “ _____Section/Division of the Society of Plastics Engineers, Inc.”

The number of signatures required for a check is to be determined by the Board of Directors.

The Treasurer should not keep a checking account greater than the Section or Division's average needs. Surplus funds are those funds that are over and above the necessary operating expenses of the Section/Division. Surplus funds should be invested safely and in accordance with an investment policy if surpluses are significant. Groups with surplus funds may wish to participate in the SPE investment program. Information can be obtained by contacting Leadership Services.

A minimum of two (2) signatures should be required for withdrawing surplus funds.

MAINTAINING RECORDS

The Treasurer will maintain the accounts following standard accounting procedures approved by the Board, including reconciling all bank and rebate statements in a timely manner and reporting any discrepancies noted. The Treasurer will preserve all financial records and will make the records available at any time to the Board of Directors, Finance and Auditing Committees.

The Treasurer prepares an accurate account of all funds received or paid out, and a statement of current financial status. Monthly or quarterly reports should be mailed to each Director prior to the subsequent Board meeting. Approval of the Treasurer's report should be an order of business of the Board Meeting.

KEY DEADLINES

For planning purposes, key deadlines are outlined below. Additional timetables and checklists are available at www.4spe.org/communities/ld/leader_checklist.php

JUNE

Retiring Treasurers

Meet with incoming Treasurers to thoroughly review all requirements of the position.

JULY

Treasurer's Packet

You will receive the Treasurer's Packet by the end of July. This packet contains instructions and forms for filing your annual reports with SPE Headquarters and the IRS. Be sure to file before the NOVEMBER 15 deadline.

AUGUST

Signatory Cards

Make sure the signatory cards for your bank accounts/investment accounts contain the signatures of the correct officers (those who have access to your accounts). As people change positions on your Board, these cards must be updated.

SEPTEMBER

Annual Budget

Send a copy of your group's Annual Budget to your Leadership Liaison at SPE Headquarters. This is part of the STAR and Pinnacle requirements.

NOVEMBER

Filing Deadline

NOVEMBER 15 is the deadline to submit your IRS (IRS and SPE Headquarters) and Annual Financial Report forms (SPE Headquarters). Penalties of \$20/day for late filing or the filing of an incomplete return are being enforced by IRS, so be sure to file accurately and on time.

FINANCIAL REPORTING

In addition to maintaining records of the Section or Division's current financial status, the Treasurer is responsible for the preparation and submission of two extremely important financial statements by NOVEMBER 15 of each year: 1) SPE ANNUAL FINANCIAL REPORT (All Sections and Divisions) and 2) IRS FORM 990EZ or 990 and SCHEDULE A (U.S. Sections and Divisions only).

Aside from the reports described below, the Treasurer is responsible for maintaining up-to-date records of all financial transactions. Please refer to the "Maintaining Records" section of these guidelines.

SPE Annual Financial Report

The Treasurer is responsible for completing the SPE Annual Financial Report at the close of the fiscal year. (See Appendix I: Spe Annual Financial Report)

This report is available electronically on the Treasurer Resources web page (www.4spe.org/communities/ld/treas_resources.php). Copies can also be obtained by contacting the SPE Leadership Services Department.

The report should be sent no later than NOVEMBER 15 to:
Leadership Services Department
Society of Plastics Engineers
14 Fairfield Dr.
Brookfield, CT 06804
Attn: Section/Division Compliance

An annual financial report is to be presented to the Section or Division's membership in written form. Publication in the group's newsletter can be considered fulfillment of this requirement.

IRS Form 990 or 990EZ and Schedule A

At the close of the fiscal year, those Treasurers of groups whose gross income exceeds \$25,000 must prepare and file the U.S. Internal Revenue Service Form 990EZ or 990 and Schedule A no later than November 15. Groups with income less than this amount are strongly encouraged to file. It is suggested that the forms be completed and filed as soon as possible after the close of the fiscal year, June 30. Refer to Appendix II: Determining Which IRS Form to File to determine which IRS form your group needs to complete. Appendix III: IRS Identification Numbers of SPE US Sections & Divisions lists your group's IRS identification number needed to complete the form.

A copy of the IRS 990EZ OR 990 and Schedule A should be maintained with the group's financial reports, and a second copy should be sent to
Leadership Services Department
Society of Plastics Engineers
14 Fairfield Dr.
Brookfield, CT 06804
Attn: Section/Division Compliance

FINANCIAL REPORTING (CONTINUED)

IRS Form 990-T

Sections and Divisions DO NOT need to file this form. Please refer to Appendix IV: About IRS Form 990 for a detailed explanation.

Rebate Withholding

Because of the extreme importance of these filings, Council has instructed SPE Headquarters to withhold payment of rebates until copies of all forms (IRS 990EZ or 990 and Schedule A and the SPE Annual Financial Report) have been received.

ANNUAL REBATE

SPE Bylaw B-51 states that in January of each year the Executive Director shall remit rebates and/or funds as set by the Council to the Section or Division Treasurer. Calculations for rebates are based on the number of paid members as of 01/01 and will be paid quarterly.

Calculations for rebates paid in the 2007+ calendar year are based on the policy adopted by Council in July 2006. See Appendix VI: SPE Rebate Policy for details.

BONDING

If desirable, a Treasurer may be bonded by the Section or Division. This is optional and left to the discretion of each group. Bonding should be in an amount in excess of the monies, which would normally be handled during a one-year term of office.

Bonding can be secured through most local insurance agents.

AUDIT COMMITTEE

A Section or Division Audit Committee should audit financial records at the close of the fiscal year (June 30).

The Treasurer should not be a member of the Audit Committee.

FINANCE COMMITTEE

The Finance Committee prepares the annual budget for consideration by the Board of Directors. The Board should adopt the budget for the ensuing fiscal year in June.

The Finance Committee should make recommendations to the Board concerning the investment of funds not required for current operations.

The Committee may make recommendations to the Board concerning the disposition of surplus funds, as in the form of grants, awards, or scholarships. The Treasurer is automatically a member of the Finance Committee.

APPENDIX I: SPE ANNUAL FINANCIAL REPORT

Following is a sample copy of the SPE Annual Financial Report form. An electronic copy is available at the Treasurer Resources web page (www.4spe.org/communities/ld/treas_resources.php) or by contacting the SPE Leadership Services Department. Note: Be sure to complete all sections of the form before returning it to SPE Headquarters.

Annual Financial Report for the Period: _____

Section/Division Name: _____

Balance as of July 1, _____ -1 _____

(Cash, checking, savings, investments)

Income		Actual	Budget	Variance
Interest & Dividends	-2			
Monthly Meetings	-3			
Board Meetings	-4			
TOPCON Receipts	-5			
Educational Programs	-6			
Newsletter Ads / Sponsorships	-7			
Grant Contributions	-8			
Scholarship Contributions	-9			
SPE Rebate	-10			
Other:	-11			
Other:	-12			
Other:	-13			
Other:	-14			
Other:	-15			
Total Income (add lines 2 - 15)	-16	\$	\$	\$
Total Funds Available (add lines 1 and 16)	-17	\$	\$	\$

Expenses		Actual	Budget	Variance
General Office Expenses	-18			
Monthly Meetings	-19			
Board Meetings	-20			
TOPCON	-21			
Educational Programs	-22			
Newsletter Printing / Mailing	-23			
Awards	-24			
Scholarships / Grants	-25			
ANTEC Expenses	-26			
Councilor Travel	-27			

Other:	-28			
Other:	-29			
Other:	-30			
Total Expenses (add lines 18 – 30)	-31	\$	\$	\$
Ending Balance (subtract line 31 from line 17)	-32	\$	\$	\$

Allocation of Funds on Line 32				
Checking Account				(A)
Savings Accounts				(B)
				(C)
Investments				(D)
				(E)
				(F)
TOTAL				(G)
(Amount on line G should equal amount reported on line 32)				
Section / Division Treasurer's Signature:				
Audit Committee Attest:				

Distribution:

Copy to SPE Headquarters by November 15
Copy to Section / Division Board of Directors

APPENDIX II: DETERMINING WHICH IRS FORM TO FILE

Review the criteria list below to determine which filing category your Section or Division falls into:

If your gross income is less than \$25,000 you are not required to file with the IRS. However, we strongly encourage that you fill out IRS Form 990 EZ to avoid an audit. If you choose to file, complete instructions are available on the Treasurer Resources web page, www.4spe.org/communities/ld/treas_resources.php or at www.irs.gov. If you choose not to file, please write “not filing” on the form, sign it, and return to SPE Headquarters.

If your gross income is over \$25,000 but under \$100,000 and your total assets are under \$250,000 you will need to complete all portions of IRS Form 990EZ and Form 990 Schedule A that are applicable to the group. Complete instructions are available on the Treasurer Resources web page, www.4spe.org/communities/ld/treas_resources.php or at www.irs.gov.

If your gross income is over \$100,000 OR your total assets are over \$250,000, you will need to complete all portions of IRS Form 990 and Form 990 Schedule A that are applicable to the group. Complete instructions are available on the Treasurer Resources web page, www.4spe.org/communities/ld/treas_resources.php or at www.irs.gov.

The deadline for filing completed forms is NOVEMBER 15 of each year. Close attention to the IRS filing date is important. Penalties of thousands of dollars, in addition to a \$20.00 per day late filing fee, can incur and these penalties are being administered.

Since the proper completion of the IRS 990/990EZ and Schedule A can often be a rather complicated process, your Board of Directors should consider obtaining professional assistance in filling out these forms. In many cases it is money well spent.

Reminder: Forms, instructions and samples for IRS 990 / 990EZ / 990 Schedule A can be found at the SPE Treasurer Resources web page (www.4spe.org/communities/ld/treas_resources.php) or www.irs.gov.

APPENDIX III: IRS IDENTIFICATION NUMBERS OF SPE US SECTIONS & DIVISIONS

<u>SPE NAME & NUMBER</u>	<u>DIVISIONS</u>	<u>IRS ID NUMBER</u>
Automotive (31)		23-7163348
Blow Molding (30)		23-7283048
Color & Appearance (21)		23-2004432
Composites (39)		58-1917186
Decorating & Assembly (34)		51-0195173
Electrical & Electronic (24)		23-7243921
Engineering Properties & Structure (26)		23-7241745
Extrusion (22)		23-7283050
Flexible Packaging (44)		01-0812504
Injection Molding (23)		23-7226516
Marketing & Management (37)		52-1316588
Medical Plastics (36)		04-2753844
Mold Making & Mold Design (35)		34-1290949
Plastics Recycling (40)		22-3049887
Polymer Analysis (33)		23-7209220
Polymer Modifiers & Additives (38)		13-3186178
Product Design & Development (41)		16-1433294
Rotational Molding (42)		35-2079133
Thermoforming (25)		23-7283052
Thermoplastic Materials & Foams (29)		23-7270909
Thermoset (28)		23-7222758
Vinyl Plastics (27)		23-7212906

SECTIONS

SPE Section Name & Number	IRS ID Number
Akron (42)	34-6532147
Arizona (45)	86-6054490
Arkansas (90)	58-1918655
Ark-La-Tex (65)	23-7114373
Baltimore-Washington (26)	52-6056994
Bartlesville-Tulsa (41)	73-6104167
Binghamton-Scranton (37)	23-1990524
Buffalo (10)	16-6051921
Carolinas (49)	56-6062804
Central Florida (63)	23-7116487
Central Indiana (05)	35-6072525
Central New York (38)	16-6051913
Central Ohio (11)	31-6050574
Central Texas (80)	06-1058469
Chicago (02)	36-6116665
Cleveland (03)	34-6542520
Columbia (60)	93-6042674
Connecticut (27)	06-6068798
Delaware Valley (48)	22-6063956
Detroit (01)	37-0265597
East Central Illinois (51)	37-6046845
Eastern New England (16)	04-6130445
Golden Gate (21)	94-6104156
Great Salt Lake (77)	87-0566464
Gulf South Central (61)	72-6035540
Hudson-Mohawk (55)	14-6033892
Iowa (79)	42-1168856
Kansas City (32)	43-6050463
Kentuckiana (34)	61-6029815
Lehigh Valley (86)	23-2473792
Lower Rio Grande Valley (94)	74-2686513
Miami Valley (08)	31-6050867
Mid-Hudson (57)	14-6036441
Mid-Michigan (46)	38-6090358
Mid-South (66)	23-7225567
Milwaukee (09)	39-6078406
Mississippi (88)	64-0759281
Nebraska (53)	47-6036901
New York (14)	11-6037586
Newark (07)	22-1711527

North Texas (39)	75-6038131
Northern Indiana (24)	35-6076910
Northwestern Pennsylvania (12)	25-6063751
Ohio-Firelands (64)	23-7074757
Oklahoma City (82)	06-1058493
Pacific Northwest (33)	91-6056467
Palisades (56)	22-6073781
Philadelphia (13)	23-7031900
Piedmont Coastal (71)	51-0195190
Pioneer Valley (35)	04-6066237
Pittsburgh (29)	25-6063752
Rio Grande (89)	74-2531511
Rochester (20)	16-6033705
Rock Valley (47)	36-6141420
Rocky Mountain (18)	84-6036743
St. Louis (06)	43-6058239
Smoky Mountain (92)	62-1500898
South Bend (73)	06-0994310
South Florida (43)	59-6152339
South Texas (25)	74-6062884
Southeastern New England (17)	51-0195186
Southeastern Ohio (30)	31-6050249
Southern (31)	58-6067086
Southern California (19)	95-6096029
Susquehanna (67)	23-7116488
Tennessee Valley (52)	62-6047332
Tenn-VA-Holston Valley (54)	23-7327769
Tex-LA-Gulf (78)	06-1058496
Toledo (04)	34-6566004
Tri-State (40)	35-6053972
Upper Midwest (22)	41-6039530
Virginia (91)	62-1431770
Western Michigan (50)	38-6090359
Western New England (15)	51-0195187
Wichita (76)	06-0974313

APPENDIX IV: ABOUT IRS FORM 990T

An organization, such as SPE and its Divisions, exempt under Section 501(c)(3) must file a Form 990-T if it has gross income of \$1,000 or more from an unrelated business. Gross income is defined as gross receipts less cost of goods sold. Normally, income from publication advertising is defined as “unrelated business income.”

However, an unrelated business is not a business by IRS definition if “all the work in carrying on the business is performed for the organization without compensation.” If only Division members at no cost to the Division handle acquisition of advertising, then it appears filing a Form 990-T is not necessary. The IRS told one SPE Section that filed in 1983 that such filing was not necessary for this very reason.

The SPE auditor has reviewed instructions for the Form 990-T and believes that such filing by Divisions is not necessary. It is possible, depending upon the IRS agent involved, that you may be questioned regarding this income. If so, we suggest that you cite the above statement that appears in the “Instructions for Form 990-T.” It may also be possible that in an isolated instance an individual agent may not accept such a statement. However, the instructions seem clear, and we suggest that you not file if the income results totally from a volunteer effort.

The most recent rules, instructions and forms can be found at www.irs.gov

APPENDIX V: FOREIGN CORPORATION FILING

In June 2001, all SPE Sections and Division were incorporated in order to protect each Section, Division, the overall Society, and it's Board Members from potential liabilities. In a sense incorporating each Section and Division insulated each group from each other. At the time a question was raised about how the incorporation of Sections and Divisions will affect the need to register as a "foreign corporation" in the states in which they operate, and legal counsel was consulted on this question.

It is up to each Section/Division board to determine their desire to register locally. Should the Section or Division decide it is in it's best interests to register, SPE Headquarters will reimburse any local filing fees, but each board will have to shepherd through the local paperwork and will be responsible for ensuring that local annual filings are completed.

The non-profit laws of most states require corporations that are "conducting affairs" in the state to register either through incorporation or as a foreign corporation. Since the Sections and Divisions of SPE will be incorporated in the state of Connecticut, the laws of their home states most likely require them to register to do business in the home state.

Registration is typically a simple matter of filing a form with the office of the Secretary of State and paying a fee (for example Illinois requires a \$50 fee). The difficulty with foreign registration is that it requires an office in the state.

Since most Sections and Divisions do not have stand-alone offices, the office of some volunteer leader would have to serve. This is potentially problematic as that volunteer leader moves out of his or her position and is no longer a representative of the Section or Division, the notice to renew registration may go astray and registration may lapse.

As a practical matter, most subordinate organizations, such as Chapters, Sections, and Divisions, do not register to do business in the state in which they are conducting business if they are incorporated in another state. There are no monetary penalties for failing to register. There are some legal hurdles to overcome if the Section or Division sues or is sued in the home state, but these usually do not present significant problems.

APPENDIX VI: SPE REBATE POLICY

Society of Plastics Engineers
Policy Number 002
Rebates, Procedure for Calculating

Original Approval Date: May 1, 2005

Original Effective Date: See II.B.3 below

Revision Approval Date: 07/14/06 – reformatted by B&P Committee

Revision Effective Date: 07/14/06

I. **Scope:**

This Policy defines the procedures for determining and paying the rebate described in Bylaws Sections 15.3 and 14.7.2.3.5 of the SPE Bylaws. This Policy shall consist of four parts: determination of the total rebate pool, determination of eligibility to receive rebates, calculation of the amount of the rebate for each qualifying operating unit, and the payment schedule for these rebates.

II. **Responsibility for this Policy:**

A. Establishing Body: The SPE Council is responsible for establishment of this policy.

B. Amendment or Abolition:

1. Qualified Body: The SPE Council is the only group authorized to change this policy. This authority may not be delegated.
2. Amendment or Abolition Mechanism: This Policy may only be amended, revised or cancelled by a majority vote of those Councilors voting at a duly authorized Council meeting.
3. Effective Date: This Policy will become effective for the rebates to be paid in 2007. Changes to this Policy will become effective 60 days after the vote in II.B.2 above and following publication of the change in the Official Publication.

C. Maintaining Body: The Bylaws and Policies Committee, together with the staff at Headquarters, is responsible for the maintenance of this policy.

Policy Definition:

Determination of the Total Rebate Pool:

Finance Committee: The Finance Committee will review the financial status of the Society and recommend to the Executive Committee the amount of money to be set aside for rebates as part of the development of the budget.

Executive Committee: The Executive Committee will review and modify as needed the recommendations of the Finance Committee for presentation to the Council.

Council: The budget, including the total amount for rebates, for the next fiscal year shall be submitted to Council for consideration and action at the last regular Council meeting preceding December 31 of each year. Such submission shall be no later than 30 days before this meeting.

Eligibility to Receive Rebates

Eligible Affiliates: Each Section, Section-in-Formation, Division, and Division-in-Formation that has not been placed in Abandoned status shall be eligible to receive a rebate. A rebate to a Section-in-Formation or Division-in-Formation shall be for a period of no more than two years.

Annual Performance Requirements: To receive a full rebate, an Eligible Affiliate, as defined in III.B.1. above, must complete the following steps by December 31 of the preceding year:

Financial Paperwork: File with SPE Headquarters the Annual Financial Report and a copy of any paperwork required by and submitted to appropriate government bodies (state / commonwealth / province / national). For those Affiliates headquartered in the United States, this shall consist of IRS Form 990, 990EZ and/or Schedule A, if applicable.

Board of Directors: Elect, and record with SPE Headquarters, a Board of Directors for the current operational year including at least a:

President or Chair
President-elect or Chair-elect
Secretary
Treasurer
Councilor
Technical Programming Chair
Membership Chair

Council Participation: The Affiliate must be represented by the Councilor or a proxy at two of the four previous Council meetings.

Communication: The Affiliate must communicate with its members at least 3 times per calendar year, either electronically or via hard copy.

Goals and Plans: The Affiliate must file with SPE Headquarters an set of goals and plans for the current operational year. This document shall explicitly include plans for regular technical meetings.

Payment Schedule: Rebates shall be paid on the fourth Monday of January, April, July and October.

Affiliates meeting the 12/31 deadline will receive all four quarterly rebate payments.

Affiliates that don't meet the requirements by 12/31, but do meet them by 3/31, will receive the three remaining rebate payments.

Affiliates that don't meet the requirements by 3/31, but do meet them by 6/30, will receive the two remaining rebate payments.

Affiliates that don't meet the requirements until 9/30, will receive only the final payment.

Rebate Calculations: For each Affiliate that meets the requirements of Section III.B.1, above, the rebate calculation shall consist of two parts: the standard rebate and the actual rebate.

Standard Rebate

Per member rates: Section and Primary Division Rebates will be calculated based on a percentage of the Standard dues for each member who pays standard dues. For example, such rebates will be calculated for Senior Members, Members, and Affiliate Members. For example, rebates will not be calculated for Student Members, Student Affiliate Members, Distinguished Members, Honorary Members, Emeritus Members or members that have reported an Unemployed status. Membership shall be determined on the first working day of the current year.

Additional Division member rates: Rebates will be calculated for all members who pay the Additional Division dues.

Section Rebates

A base payment of \$300/unit
12% of the standard dues for the first 100 members
10% of standard dues for the next 200 members
9% of standard dues for members in excess of 300

Division Rebates

A base payment of \$100/unit
4% of the standard dues for the first 500 primary members
3.5% of the standard dues for the next 1000 primary members
3% of standard dues for primary members in excess of 1500
\$4.00 for each of the first 500 Additional Division members
\$3.50 for each of the next 1000 Additional Division members
\$3.00 for each Additional Division member in excess of 1500

Actual Rebate: The Actual Rebate paid to each Section and Division meeting the requirements of Step III.B.2 shall be equal to (the total budgeted rebate amount from step III.A) multiplied by the ratio of the (standard rebate from step III.C.1) to (the sum of standard rebates for all Eligible Units from step III.B.1).

As part of this rebate policy, Sections and Divisions may elect, and indeed are encouraged, to return their rebate to SPE Headquarters to assist in the work of SPE.