

Chapter 2: Preliminary Decisions and Recognition

Preliminary Decisions

The club organizer(s) must consider the purpose of the club. Because club volleyball can serve a variety of needs within the volleyball community, the goals of the program will help determine how the program is organized. For example, a club can simply be a training tool for competition within the Arizona Region or a club can serve as a recruiting tool for those who aspire to play volleyball at the collegiate level. Because college coaches recruit heavily at national tournaments (which are typically outside of the Arizona Region), clubs usually need to travel in order to obtain this exposure for the players. Generally, the more successful teams will receive the most attention at national tournaments, which translates into increased training time to prepare teams. Clubs with the goal of becoming nationally recognized will require a more complex organizational structure and budget than those who plan to compete only within the region.

Mission statements can aide club organizers in defining the purpose of the program. Clubs can be designed to serve a single function or they can be multifunctional. Whatever the purpose, define and use it as an organizational guide. Once the mission statement and/or goals have been drafted and approved by the organizer(s), please submit a copy to the Region Office.

Recognition

Once the mission statement is created and the purpose for the club is defined, the process of recognition begins. Club must be recognized in two ways:

- a. Business Recognition
The club must be recognized as a business by the state and federal governments for tax and liability purposes.
- b. Club Recognition
The program must be recognized as a club by the Arizona Region and USA Volleyball. The following sections are designed to explain the two different processes.

Business Recognition

It is important to contact the Region Office before proceeding with Business Recognition to verify that the club name that you have chosen is not already in use or inactive but reserved. If the name you have chosen is already in use or is inactive, you may be asked to change your name.

Chapter 2: Preliminary Decisions and Recognition

1. The Employer Identification Number

The club organizer(s) need to file for Employer Identification Number (EIN). This number is used in all correspondence to allow the Internal Revenue Service (IRS) to track the club's business accounts, tax returns, documents and employees.

Application for EIN is free of charge. Once a club has an EIN, a business checking account can be opened through a local bank.

2. Articles of Incorporation

Articles of Incorporation must be drafted and registered with the Arizona Corporation Commission. Club organizers should work with an accountant or other knowledgeable person when drafting the club Articles of Incorporation to ensure they are worded correctly and filed properly. Once the Corporation Commission approves the Articles, they must be published in a newspaper of general circulation in the county in which the club is established for three consecutive publications. To prove that the Articles had been published, an Affidavit of Publication must be submitted to the Corporation Commission. The club will be charged filing fees and publishing fees for this process.

3. For Profit Business vs. Non-Profit Business

Within the Articles of Incorporation, the organization must declare who their organizing officers are. If the business is organized for profit, those identified in the Articles are considered the business owners and will be taxed according to the profit made by the business. The organizer(s) should consult a certified public accountant (CPA) about the tax forms required and the schedule for filing.

If the organization plans to be non-profit, it must apply for exempt status. As an exempt organization, the club is not taxed on the revenue it generates through its operation. In addition, exempt organizations adhere to a completely different set of tax laws than those of for-profit organizations. When filing for tax-exempt status, the organizer(s) should consult a tax or accounting professional to ensure the process is done correctly. Most tax and accounting firms need pro bono work every year and may see your organization as a likely candidate for their free services in this process. Ask around!

Members of the club can also benefit from the exempt status, although the regulations applying to donations are very strict. One must distinguish between a gift and a donation to determine if it can be considered a deduction. The IRS provides a detailed bulletin regarding what can and what cannot be claimed as a deductible contribution. Although it depends on the exact circumstances, generally, if the money directly benefits a member of the club, it is considered a gift and is not deductible. This distinction is very important in fundraising efforts,

Chapter 2: Preliminary Decisions and Recognition

as most members want to generate funds that will directly reduce their own costs, while most donors want to receive the benefit of tax deduction.

4. Independent Contracting versus Employment

Compensation to individuals for services rendered can be accomplished one of two ways. The club can either contract the job out to the individual or can deem the individual an employee of the organization. The independent contractor option is most cost effective to an organization. However, the consideration for this decision extends beyond the finances and into the ability of the organization to control the actions of the individual.

As independent contractors, individuals are hired to complete a certain job. Beyond the specifications of the particular outcome of the job, the hiring party (the club) may not require the individual to abide by any guidelines for completion. In return for this flexibility, the contractor is responsible for declaring that he/she is self-employed and must file their taxes accordingly (the employee deduction and the employers matched portion). While hiring coaches as independent contractors limits the amount of control the club has over how the job is accomplished, the club saves money by not having the financial burden of payroll taxes, unemployment taxes, and the related quarterly and annual employment reports.

As employees, the individuals are hired to complete a job and are bound to regulations and guidelines established by the organization. In exchange for greater control over those working for the organization, the organization is responsible for payroll taxes, quarterly reports, unemployment taxes, workman's compensation and other related services.

Both choices above involve filing end of the year tax reports and must send the corresponding IRS forms to report the organization's actions for the year in question. Working with an accountant will probably be necessary to ensure that annual tax reports are complete and filed properly.

Club Recognition

1. Notification to Region

The club season officially begins on Sept. 1st for boys and in November for girls. Published start dates are available on the AZ Region website or from the AZ Region Office. Juniors' volleyball typically runs through the first week of July. A majority of the planning for the upcoming season occurs during the summer prior to the club season. In order for a new club to receive pertinent junior's information, the organizer(s) must notify the Region Office of their intent to run a program during the upcoming season by completing and submitting the Jr Club Director Agreement and registering the Club Director. Notification will allow the club name and address to be added to the Arizona Region mailing list, email list and website. Once on the

Chapter 2: Preliminary Decisions and Recognition

mailing list and email list, the club will receive memos regarding junior planning sessions via email and/or mail. **It is very important that every club have an email point of contact - preferably the club director and/or registrar.**

2. General Assembly

In mid-September the Arizona Region holds its Annual Meeting and General Assembly. This meeting is to fulfill our annual meeting requirement and to inform all Club Directors and Adult Team Reps of the new information pertaining to the upcoming season. All Club Directors are expected to attend this meeting and New Club Directors especially should make every effort to attend. During the General Assembly there is traditionally a New Club Directors session. This session covers all paperwork, communication and processes for the Arizona Region.

3. Paperwork

The following paperwork is required for each club to submit:

- Club Director Agreement
- Club Contact Information for Background Screening
- Team Registration Form - or roster printed from WebPoint
- Team Seeding Form
- Tournament Contracts

The following paperwork should be collected and kept by the club:

- USAV Medical Release and Waiver Form from each junior player
- Certificate of Insurance - should be requested from the Region for each facility rented for practice.