



Club Formation Tips and Guidelines

A guide to applying to be an affiliated club Wyoming Soccer Association
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BENEFITS OF BEING A WSA AFFILIATED MEMBER

All member organizations are encouraged to learn about and take advantage of the [benefits of membership](#). In addition, attendance at board meetings is the best way to stay current and gives an organization the opportunity to provide input, bring up or help resolve problems, and be an active part of youth soccer in Wyoming.

In addition to completing the application process as outlined in the WSA Club Affiliation Policy and Procedures, the following information and suggestions can help an organization with the process.

ARTICLES OF INCORPORATION AND BYLAWS:

All corporations should have these two basic documents. Generally, the Articles of Incorporation state the name of the corporation, what type of corporation it is, and its purpose, and are filed with a state government as part of creating the corporation. The corporation's Bylaws provide the basic principles that control how the organization is governed and operates, and often set forth fundamental rights and obligations of the organization, its directors and officers, and members. The two documents together define what the corporation is, what it does, and how it is governed.

Be aware that the laws of many states require that only the basics be stated in the Articles of Incorporation with the more detailed and substantive provisions for corporate governance be set forth in the bylaws. In addition, determining what is required versus what is desired should be made with the advice of legal counsel; there is no substitute for proper legal advice in what is a legally intensive subject. See the affiliation policy for WSA's minimum requirements.

WSA CLUB BYLAWS:

- Bylaws are written to provide guidance to an organization. Most youth soccer clubs are managed by volunteers who rotate in and out of positions and onto and off the board. Bylaws and policies provide management guidance, so the club may continue to operate smoothly despite changes in leadership.
- Bylaws should not prevent officers and directors from making decisions needed for the betterment of the organization. They should, however, impose sensible restrictions on authority to help in avoiding improper actions.
- WSA member clubs should be membership organizations operated for the benefit of the youth served by the club's operations. WSA requires that its member clubs have members who elect the Board of Directors in a democratic process.
- Bylaws provide the underlying governance structure of the organization and should only be modified by a vote of the membership at a meeting for which the members have been sent notice.
- Wyoming non-profit corporations with members are required to hold at least one general membership meeting each year at which the president or other designated officers present reports to the members on the finances and activities of the corporation. Such a business meeting is typically called an AGM (annual general meeting) and is usually the meeting where board members are elected
- Policies are created by the board to direct the daily operations of the organization. Board members may generally modify or adopt policies at any board meeting. Policies should be used to spell out operational details, *e.g.*, how to form teams, while reserving the bylaws for more general governance directions, *e.g.*, "The registrar shall adopt and publish a policy regarding how teams will be formed."

- Wyoming non-profit corporation status is obtained by filing Articles of Incorporation with the Wyoming Secretary of State. To be eligible to accept tax deductible contributions you need to file an application with the IRS for recognition as a qualified charitable organization under 501(c)(3) of the Internal Revenue Code. Check with the [Secretary of State](#) and the IRS for updated forms and requirements.
- WSA recommends that you review the [Wyoming Non-Profit Corporation Act](#)

RULES AND POLICIES – See the [affiliation policy](#) for WSA’s suggestions on what to include.

IRS 501(C)(3) TAX EXEMPT STATUS EXPLAINED:

Most youth sports organizations, school booster clubs, and PTOs/PTAs qualify for Internal Revenue Service (IRS) 501(c)(3) status but fail to apply for it as required by federal law. In fact, many organizations operate as if they were tax exempt organizations, although no application for tax exemption was ever filed with the IRS. Still other organizations have incorporated as a non-profit corporation, but never filed for tax exempt status with the IRS. While most youth organizations are capably operated by their volunteer staff, few appreciate the potential financial risk to their volunteers because they or their predecessors failed to apply for tax exempt status.

Among other benefits, 501(c)(3) status exempts organizations from federal income taxes as well as allowing donations made to the organization to be deducted on the donor's tax return. 501(c)(3) status also gives an organization the ability to apply for a multitude of corporate and government grants, which can be used to pay for uniforms, equipment, transportation costs, new facilities, etc.

Many organizations have been operating for years before learning that they do not have 501(c)(3) status. Commonly, organizations assume that because they are run by volunteers and don’t get paid that they are automatically tax exempt but the only way to attain 501(c)(3) status is to apply for it through the IRS. In addition, a board member may have attempted to apply but never completed the process or they received their Employer Identification Number (EIN) and, after indicating that the organization was non-profit, incorrectly thought this was all that needed to be done.

Q & A - OBTAINING IRS 501(C)(3) TAX EXEMPT STATUS:

1. **What form is filed to get tax exempt status?** [IRS Form 1023](#).
2. **Does a small organization really need to apply?** Tax law does not require a 501(c)(3) application when the organization has gross receipts of less than \$7,500 per year. You may want to apply anyway to save donors possible inconvenience in an audit, to be able to apply for grants, or to obtain a bulk mailing permit. An organization that no longer qualifies for a low gross receipt’s exception, must submit their application to the IRS within 90 days of the end of the year in which gross receipts exceed \$7,500.
3. **How much will it cost to get tax exempt status?** There is currently a two-tier fee schedule - organizations with gross receipts that average/will average not more than \$10,000 per year pay \$400 and larger organizations pay \$850.
4. **What are the chances of the application being approved?** The IRS approves tax exempt status for about 70% of the applications and denies tax exempt status for less than 1%; the other 29% give up before they get a ruling.

THESE GUIDELINES ARE FOR INFORMATIONAL PURPOSES ONLY.

Please contact the state office if you have questions. Always remember that what is required versus what is desired should be made with the advice of legal counsel; there is no substitute for proper legal advice in what is a legally intensive subject.