Embden Community Club

Governance & 501(c)(3) Review Packet

Prepared for Board Review and Vote

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1. Executive Summary

The Embden Community Club (ECC) is undertaking governance updates in support of its planned IRS 501(c)(3) nonprofit application using the simplified Form 1023-EZ process.

The goal of these updates is to:

- Align ECC with nonprofit governance best practices
- Improve organizational structure and accountability
- Support future grant opportunities
- Provide clear governance and financial oversight
- Maintain flexibility for future organizational growth
- Preserve the community-focused nature of ECC

This packet is intended to provide the Board with a complete review package prior to formal discussion and vote.

The proposed updates modernize and simplify existing governing documents while preserving important operational protections from prior bylaws.

ECC anticipates qualifying for the IRS Form 1023-EZ filing process based on:

- Annual gross receipts projected below $75,000
- Organizational assets projected below $250,000

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2. Proposed Bylaws

Article I – Name

The name of the organization shall be Embden Community Club, hereafter referred to as the "Organization."

Article II – Purpose

The Organization is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The purpose of the Organization is to operate and maintain a community center that promotes community engagement, education, recreation, and charitable activities for residents of the community and surrounding areas.

No part of the net earnings of the Organization shall inure to the benefit of any private individual, and the Organization shall not participate in political campaign activity prohibited under Section 501(c)(3).

Article III – Board of Directors

Section 1 – Governance

The Organization shall be governed by a Board of Directors.

Section 2 – Board Composition

The Board shall consist of seven (7) members including:

- President
- Vice President
- Secretary
- Treasurer
- Three (3) Directors

All Board members shall have equal voting rights.

Section 3 – Terms

Board members shall serve up to three-year terms and may be re-elected.

Terms may be staggered to ensure continuity.

Section 4 – Vacancies

Vacancies among officers or directors may be filled by majority vote of the remaining Board members until the next regular election.

Article IV – Officers

President

The President shall:

- Preside over meetings
- Provide leadership and oversight

- Represent the Organization when necessary
- Assist in establishing organizational priorities

Vice President

The Vice President shall:

- Assist the President
- Assume responsibilities in the President's absence
- Support organizational operations and volunteers as needed

Secretary

The Secretary shall:

- Maintain meeting minutes
- Maintain official organizational records
- Assist with notices and correspondence

Treasurer

The Treasurer shall:

- Maintain financial records
- Oversee deposits and payments
- Provide financial reports to the Board
- Maintain appropriate financial documentation

Article V – Meetings

Section 1 – Regular Meetings

The Board of Directors shall meet at least quarterly or more frequently as needed.

Section 2 – Annual Meeting

The Organization shall hold an annual meeting for election of officers/directors and organizational business.

Section 3 – Special Meetings

Meetings may be called by the President or majority of Board members.

Section 4 – Quorum

A quorum shall consist of a majority of the Board.

Example:

7 Board members = quorum of 4.

Article VI – Voting

Each Board member shall have one vote.

A majority vote of Board members present at a meeting with quorum shall approve official business unless otherwise specified in these bylaws.

Proxy voting shall not be permitted.

Article VII – Committees

The Board may establish committees as necessary to support the mission of the Organization.

Committees may make recommendations but shall not have voting authority unless granted by the Board.

Article VIII – Financial Controls

Section 1 – Financial Oversight

The Board shall maintain oversight of the Organization's financial activities.

The Treasurer shall provide regular financial reports to the Board.

Section 2 – Spending Authorization

The Board may establish financial approval thresholds and internal financial control policies as necessary to ensure accountability and proper stewardship of organizational funds.

Section 3 – Dual Control

Financial transactions above designated thresholds may require approval from two authorized officers.

Section 4 – Fiscal Year

The fiscal year of the Organization shall run from January 1 through December 31 unless otherwise established by the Board.

Section 5 – Compensation

No Board member shall receive compensation for serving on the Board except as approved by the Board for authorized services or reimbursements.

Article IX – Conflict of Interest

Board members shall disclose any potential conflict of interest and abstain from voting where a conflict exists.

Article X – Non-Discrimination

The Organization shall not discriminate based on race, religion, gender, age, disability, national origin, or other protected status.

Article XI – Dissolution

Upon dissolution of the Organization, any remaining assets shall first be offered to the Town of Embden for continued use in support of community, charitable, educational, or recreational purposes consistent with Section 501(c)(3) of the Internal Revenue Code. If the Town of Embden declines to accept such assets or cannot use them for those purposes, the remaining assets shall be distributed to one or more organizations qualified under Section 501(c)(3) of the Internal Revenue Code, as determined by the Board of Directors in accordance with applicable law.

Article XII – Amendments

These bylaws may be amended by a two-thirds vote of the Board provided notice of the proposed amendment is given prior to the meeting.

Certification

Note: *This certification section shall be completed following Board approval of the proposed bylaws.*

Date Adopted: 7/8/2026

President Signature: [signature]

Secretary Signature: Carol Dolan

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3. Board Roles & Responsibilities

Governance Structure

The ECC Board of Directors shall consist of:

- President
- Vice President
- Secretary
- Treasurer
- Three Directors

All seven members shall have equal voting rights.

This structure is intended to align ECC with nonprofit governance best practices in support of future 501(c)(3) application and grant opportunities.

President

- Provides leadership and direction for ECC
- Chairs meetings and helps establish agendas and priorities
- Serves as primary liaison with the board and community
- Supports long-term planning and community engagement

Vice President

- Assists the President and steps in when unavailable
- Supports volunteers, events, and operations as needed

Treasurer

- Manages ECC finances and reporting
- Oversees budgeting, deposits, payments, and records
- Provides regular financial updates to the Board

Secretary

- Records meeting minutes
- Maintains organizational records and correspondence
- Assists with notices and documentation

Directors

- Serve as voting members of the Board of Directors
- Participate in meetings and organizational decisions
- Support governance, planning, fundraising, and engagement

Volunteers

- Assist with ECC-sponsored events, programs, and fundraising activities
- Support activities under the direction of Board members and coordinators

4. Financial Controls Policy

Purpose

The purpose of this policy is to establish basic financial oversight and accountability procedures for ECC.

Spending Authorization Thresholds

Amount	Approval Requirement
Under $250	Treasurer OR President
$250 – $1,000	Approval from any two officers
Over $1,000	Board approval
Emergency repairs	President plus one officer with later Board reporting

Financial Practices

- Receipts shall be maintained for organizational expenditures
- Reimbursements should include supporting documentation
- Deposits should be made in a timely manner

- Financial reports shall be provided regularly to the Board
- Bank statements should be reviewed periodically

Cash Handling

For fundraising events, raffles, dinners, and other cash activities:

- Two-person counting is recommended when practical
- Basic tracking of funds received and deposited should be maintained
- Event proceeds should be deposited promptly

Dual Authorization

Checks or payments above thresholds established by the Board may require approval from two authorized officers.

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5. Conflict of Interest Policy

Purpose

The purpose of this policy is to protect the interests of the Organization when considering transactions or arrangements that may benefit a Board member or affiliated individual.

Disclosure

Board members shall disclose any actual or potential conflict of interest.

Abstention

Any Board member with a conflict of interest shall abstain from discussion and voting regarding the matter.

Documentation

Conflicts disclosed and abstentions shall be documented in meeting minutes when applicable.

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6. Proposed Board Structure

Position	Voting Rights
President	Yes
Vice President	Yes
Treasurer	Yes
Secretary	Yes
Director (3 positions)	Yes

Total Board Members: 7

Quorum Requirement: 4

Proposed Term Structure

Board members may serve staggered terms of up to three years where practical to support continuity.

7. 501(c)(3) Filing Summary

ECC intends to apply for federal tax-exempt status under IRS Section 501(c)(3) using Form 1023-EZ.

ECC anticipates eligibility based on:

- Annual gross receipts under $75,000
- Total organizational assets under $250,000

Potential benefits of 501(c)(3) status include:

- Eligibility for grants
- Ability to receive tax-deductible donations
- Potential state tax exemptions
- Improved fundraising opportunities
- Increased organizational credibility

ECC intends to continue operating as a community-focused volunteer organization serving residents and surrounding communities.

8. Draft Board Resolutions

Resolution 1 – Adoption of Bylaws

Motion to adopt the proposed Embden Community Club bylaws as presented.

Vote: APPROVED 6-0

Date: 7/8/26

Resolution 2 – Adoption of Financial Controls Policy

Motion to adopt the proposed ECC Financial Controls Policy.

Vote: APPROVED 6-0

Date: 7/8/26

Resolution 3 – Adoption of Conflict of Interest Policy

Motion to adopt the proposed ECC Conflict of Interest Policy.

Vote: APPROVED 6-0

Date: 7/8/26

Resolution 4 – Approval of Board Structure

Motion to approve the proposed seven-member Board structure consisting of:

- President
- Vice President
- Treasurer
- Secretary
- Three Directors

Vote: APPROVED 6-0

Date: 7/8/26

Resolution 5 – Authorization to Pursue 501(c)(3) Filing

Motion authorizing the President and/or designated officers to proceed with preparation and filing of IRS Form 1023-EZ and related nonprofit documentation.

Vote: APPROVED 6-0

Date: 7-8-26

9. Optional Future Items

The following items may be considered for future development as ECC continues organizational growth:

- Rental and facility use policies
- Volunteer guidelines
- Annual budgeting procedures
- Event procedures
- Donation acknowledgment procedures
- Record retention policies
- Grant management procedures
- Additional operational policies

End of Packet