

FORMING A NEW PCA REGION



(Version 6.0 – February 2021)

* * Note: This booklet should be used in conjunction with a current copy of the *PCA Region Procedures Manual (RPM)* and the Bylaws of PCA, Inc. Copies of both are available on line at www.pca.org . PCA members will need to log in, and then go to “Home” then “Forms & Documents,” then “Region Management.” Paper copies of the *RPM* are also available for a nominal fee from the PCA National Headquarters, P.O. Box 6400, Columbia, MD 21045.

Legal notice: Nothing within these guidelines shall create or modify any legal rights belonging to any person or group.

Copies of this manual can be distributed to persons considering submission of a petition to the PCA Executive Council for issuance of a PCA Region Charter. The appropriate PCA Zone Representative, the PCA General Counsel, and the Chair of the National PCA Procedures Committee are all available to assist.

PCA National Procedures Committee

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FORMING A NEW PCA REGION

INTRODUCTION

This PCA Region formation packet, *Forming a PCA Region*” should be read in conjunction with the current edition of the *PCA Region Procedures Manual (RPM)*. Collectively, they will provide an understanding of the requirements for new Region formation, the various steps involved, as well as the complexities of managing a new PCA Region. The *RPM* is revised annually and sent to PCA Region Presidents to assist new officers in the management of their Regions. Additionally, reference is made in this booklet to various PCA National staff members and their areas of expertise. Their names, contact addresses and phone numbers can be found in the back portion of a current copy of *Porsche Panorama*, on the “Any Questions” page or online at www.pca.org under “Connect”.

INITIAL CONSIDERATIONS

Forming a new PCA Region is one of the most exhausting, rewarding, and exhilarating experiences within PCA!! In forming a new Region, any current members of an existing Region, and other Porsche owners who seek to create a new Region, should ask themselves honestly, and exactly, what is being sought, where, why, and for whom? If the reasons are personality conflicts or retaliation, these are not good justifications, and any Region that is so created will probably not last long. If one of the reasons is to provide more and better PCA experiences to more Porsche owners and PCA members than are currently being supplied, these are *good* reasons, and provided the new Region is staffed with consistent, enthusiastic leadership, that Region will most likely survive and its membership will grow. (See page 10 for member survey to judge interest in forming and supporting a new Region and to identify possible officers.)

Those who proceed to form a new Region should expect a period of somewhat intense communications, in a relative short period of time, among numerous persons, such as PCA National Officers, staff members, the Zone Representative, the PCA National Office and officers of one or more existing PCA Regions. These communications may be in the form of e-mails, telephone calls, and regular mail. Requests for changes and amendments to any paperwork submitted by the new Region should be completed promptly and returned to the appropriate National Officer(s). Those seeking to form a new Region should also be prepared to do the necessary tedious and detailed county-by-county “map work” in regards to the counties being sought and should remain flexible in dealing with the existing Region(s) as to territory that is being sought from an existing Region.

A Region from which territory is being sought to form a new Region should also recognize the final decision in this matter belongs to the Executive Council, not to the existing Region. An existing Region cannot “veto” the creation of a new Region, by refusing to assist the Zone Representative or the new Region, nor should it try.

Formation of a new Region will involve the aspects of “**Members, Assets, and Territory**”. If you focus on these elements, in a timely and logical manner, your efforts will be thorough, and likely successful.

WHAT IS PCA?

The Porsche Club of America, Inc. is the largest, non-factory-sponsored, single marque sports car club in the world. Its membership is composed of Porsche owners located primarily in the US and Canada. They are organized into local operating units known as **Regions**. The Region is the center of PCA activity.

Each Region of PCA operates as an autonomous body within the scope of the National Bylaws. This means they function as essentially local sports car clubs under sanction. They elect their own officers, generate their own bylaws, hold their own events, publish their own newsletters, host websites, and hold their own meetings. (*The PCA Region Procedures Manual, aka "RPM"*)

Each Region is assigned to one of fourteen (14) geographical areas called **Zones**. The Zones assure continuity among the Regions and the National Organization, while the **Zone Representatives** are responsible for the welfare and progress of Regions within their Zones.

RELEVANT PCA BYLAW PROVISIONS

The current Bylaws of PCA, last amended in 2014, are found on www.pca.org by typing "bylaws" into the Search box. Persons seeking to form a new PCA Region should obtain the bylaws and review them. Article II states these are the general objectives of PCA:

- A. The highest standards of courtesy and safety on the roads.
- B. The enjoyment and sharing of good will and fellowship engendered by owning a Porsche and engaging in such social and other events as may be agreeable to the membership.
- C. The maintenance of the highest standards of operation and performance of the marque by sharing and exchanging technical and mechanical information.
- D. The establishment and maintenance of mutually beneficial relationships with the Porsche Werks, Porsche Dealers and other service sources to the end that the marque shall prosper and continue to enjoy its unique leadership and position in sports car annals.
- E. The interchange of ideas and suggestions with other Porsche clubs throughout the world and in such cooperation as may be desirable.
- F. The establishment of mutually cooperative relationships with other sports car clubs as may be desirable.
- G. The preservation of the independence of the Porsche Club of America, free of control or undue influence by any outside individual, organization, company, or other entity, no matter how closely aligned to the Club interest or purpose. In furtherance of this goal, the Porsche Club of America is and shall remain a totally member-driven and primarily member-financed independent entity allowing neither inappropriate nor undue influence, financial or material from outside its domain, owing allegiance only to its members.

The Bylaws also indicate that granting a charter for a PCA Region is the exclusive province of PCA's Executive Council (EC):

ARTICLE XIII: REGIONAL CLUBS

Section 1 – Charters

Under normal circumstances the **Executive Council** may, in its discretion, grant a charter to any group of twenty-five (25) or more eligible Porsche owners, lessees or co-owners desirous of establishing a Regional Club, and who subscribe to the general objectives of the Club and agree to adopt no rules, regulations or bylaws inconsistent with these Bylaws. Under unusual circumstances, a charter may be granted to a group of less than twenty-five (25) members. The geographic boundaries of a Regional Club shall be determined jointly by the proposed Regional Club and the Executive Council. In the event of a jurisdictional dispute between two or more Regional Clubs, the majority vote of the Executive Council shall resolve the dispute. The Regional Clubs, however, may appeal to the Board of Directors and the decision of the Board shall be final.

The Bylaws also designate the **National Secretary** as the person who “shall issue charters to Regional Clubs which are duly authorized under the provisions of the Bylaws”. (**Article VII, Section 3**) “The **Zone Representatives** shall be responsible for the welfare and progress of Regional Clubs within their Zones.” (**Article X, Section 3.**) The Zone Representative for your Zone will be invaluable in coordinating your efforts with other Regions. The Zone Representative is familiar with each Region in the Zone, is knowledgeable on PCA policies, and is available to help with Region formation questions. Should any additional assistance be required, the National Secretary, the Executive Director or the Procedures Committee should be contacted.

OVERVIEW

All territory under the jurisdiction of PCA is currently assigned to established, chartered Regions. There are NO unassigned territories.

To create a new Region, some *territory* and *members* will be taken from an existing Region. It is therefore incumbent on the Executive Council to use great care in considering the requests of potential new Regions. However, no *membership or other funds* are taken from an existing Region.

STEPS TO OBTAIN CHARTER CONSIDERATION FROM THE PCA EXECUTIVE COUNCIL

1. The National PCA Secretary, upon receipt of an inquiry about new Region formation, will notify the appropriate Zone Representative (ZR), if he or she is not aware of the formation efforts. The National Secretary will also notify the National President, the other Executive Council members, the Executive Director and the PCA General Counsel of the inquiry. If there is a question concerning the advisability of continuing Region formation, the National President and members of the Executive Council will be polled. If a ZR first receives the inquiry about the new Region formation, he/she will notify the National Secretary, who will notify the others as above. It is important all officers of all Regions involved understand the procedure.
2. The Zone Representative for the area will contact the inquiring parties and will discuss the interest and explain the procedures involved, as discussed in this booklet. If the ZR believes the reasons for the formation of a new Region are valid, he/she will provide guidance and assistance to the forming group and will furnish a copy of this booklet, if the Region in formation does not yet have it. The Zone Rep will also notify the President(s) of the current

Region(s) who will surrender territory and members to the new Region, of the request for a new Region. At this point, to help understand the process, a copy of ***Forming a New PCA Region*** will also be sent to Region President(s) of all other affected Regions by the ZR or by the National Secretary. The Zone Representative will assist all parties in the process.

3. Under normal circumstances, the steps for requesting a PCA charter should be completed by the group requesting Region formation within a period of six (6) months. The time period will begin on the date that ***Forming a New PCA Region*** is furnished to persons seeking a new Region. **If Region formation is not completed within this time period, the Executive Council will review the status of the request and determine if it should continue.**
4. At this point, the Region-in-formation should begin to ascertain the identities and addresses of any members of the existing Region(s) who may desire to transfer membership. It should also seek to obtain the names, and completed applications for prospective new members of the new Region. Efforts shown in this area are critical to show need for a new Region.
5. The requesting members will work with the PCA Executive Director, ZR, and the National Office, to determine the new specific boundary or boundaries of the Regions involved. This is done on a county-by-county ZIP Code listing basis, with help from the Region in-formation. The Region(s) relinquishing territory will agree to do so in writing. The Region(s) relinquishing territory are also notified that the new Region formation will **not** result in the transfer of specific funds from its treasuries in connection with this transfer. (See page 18.)
6. The Region in-formation should draft Bylaws and select a name for the new Region. This name cannot contain the word “Porsche.” These Bylaws should be furnished to the PCA Policy Chair as soon as possible for his/her concurrence they are not in conflict with the National Bylaws. (See PCA Bylaws above and steps below in # 8) In April 2010, Volume 24, Number 1 of *RegionFocus*, the PCA Region management publication, addressed Region Bylaws and their relevance in a well-written article. A copy is on page 21. Persons considering formation of a PCA Region are strongly encouraged to read it.
7. The Region in formation should meet and elect officers for the new Region. These names should be supplied to the Zone Rep. The Zone Rep will notify the existing Region of this election and names of the officers elected.
8. If the Zone Representative concurs at this point with the progress made to date, the group should next prepare a **formal letter of petition to the PCA Executive Council.** (See the *sample letter on page 11.*) This Petition package should contain:
 - A list of names and addresses of at least 25 members of the new Region. Members for the new Region are recruited both from Porsche owners who currently belong to PCA **and** Porsche owners who are not PCA members but who reside within the proposed Region’s territory. The Executive Council has repeatedly stated it is not interested in creating more Regions from existing Regions, without additional justification. As noted above, it is strongly recommended the forming Region seek out Porsche owners who are not currently PCA members to be charter members. Besides showing a need for a Region to better serve current members, a new Region should also be able to show there are potential members for PCA who are not being recruited or served.
 - The list can include, with their written request, names of members who will transfer from an existing PCA Region to the new Region. It is desirable to have at least 25%

to 30% new members. New members must complete application forms, including completed checks for all membership fees. These should be handled as regular membership applications by existing Region(s), but the new Region in formation should make a list of these new members. These applications should be forwarded to the PCA National Office. (These new members will be routinely assigned to the appropriate *existing* Regions during this time. Once a PCA Region Charter has been approved, they, like other members in the new Region's territory, will be sent a letter from PCA National, asking for their Region choice. (PCA National has advised the new Region will not lose any membership rrefunds in this period.)

- A copy of the proposed Bylaws for the new Region. (*A sample is included on page 12 and can be used as a guide.*) PCA's General Counsel and Policy Chair must review and approve the Bylaws drafted by the new Region in formation.
 - A letter **from** the existing PCA Region(s) releasing specified territory. (*See sample letter on page 17.*)
 - A copy of a letter **to** the existing PCA Region(s) from which territory will be acquired, releasing any and all financial assets of the Region or Regions. (*See sample letter on page 18.*)
 - A map showing boundaries of the new Region by county line or other acceptable boundary markers **and** a list of postal ZIP Codes in the new territory. This will take much time to prepare; plan accordingly. A Region's territory must be contiguous.
 - The proposed name of the new Region, without "Inc." (It is incorporated later.)
 - The names, addresses, telephone numbers and e-mail addresses, for the new Region's officers.
9. All of the above requirements must be sent to PCA's Executive Director at least four (4) weeks prior to the next Executive Council meeting. (The National Secretary and Executive Director will know the schedule of upcoming meetings.) This will allow the issue to be placed on the agenda and will permit distribution of these materials to Council members for their review before the meeting. The Executive Council will consider the application, based on the information provided, the number of new PCA members enrolled, acceptable Bylaws, the potential for growth in the proposed territory, and the effect that this action will have on the Region(s) releasing territory.
10. Should additional input or information be deemed necessary prior to the EC issuing a charter, the Zone Representative will be contacted. Requests for such additional information from the Zone Rep or Region in-formation should be handled promptly. The Executive Council's decision will be reported to the petitioning Region immediately after the meeting.

POST-CHARTER PROCEDURES

NOTICE

A letter, e-mail, or other announcement should be made immediately to all members who expressed a desire to be a part of the new Region and to those prospective members who submitted membership applications. A "Charter Party" or suitable social occasion, and some sort of media release also may be appropriate. (*RPM*, Section V) The actual paper charter will arrive within 6 weeks from the PCA National Office.

PROCESSING OF PENDING MEMBERSHIP APPLICATIONS

The new Region will immediately forward to the National Office for processing the membership applications of those prospective members, if it received applications late during the petition process. Other applications should have been forwarded to the National Office through the existing Region. The Region in formation should keep an informal list of new members in its new territory whose applications were forwarded in the formation time period. Additional notice to those prospective members by the new Region is encouraged since they will be in the new Region's territory, and hopefully be noted at "Charter Members".

ELECTION OF REGION AFFILIATION

Upon issuance of a Charter, the Executive Director will prepare and mail letters to those PCA members residing within the new Region territory (other than the charter members and new members of the new Region whose applications are being processed), asking for their decision as to which Region he or she would like to be assigned. The options will be: 1.) The new Region, 2.) The current Region as currently assigned, or 3.) Any other PCA Region of their choice.

INCORPORATING THE REGION

It is recommended a Region become incorporated as a 501(c)(7), or Social Membership Club, in the applicable state, commonwealth or Province as soon as possible after chartering. This will limit the personal liability of the officers and members. PCA National is an incorporated U.S. organization; however, this benefit does not extend to the individual Regions, each of which must incorporate in its own state, commonwealth or Province. Assistance may be available in explaining this process through a local attorney or barrister, perhaps a Club member, and is suggested. Since the fees, regulations and laws vary from state to state, assistance of an attorney may be needed. The Secretary of State in each state usually is the government office that oversees the incorporation process and some have how-to-incorporate booklets available in print or on-line. For non-profit organizations, the fees for filing and procuring articles of incorporation usually are nominal and the benefits so great, that this item should be placed high on the agenda of the new officers. The PCA General Counsel is available for advice on this subject. (See also Income Tax Report Requirements in *RPM*, Section 3, Part 15.) Note that once incorporated, most states also require annual verification the corporation is still viable and some require additional fees for this.

REGION NEWSLETTER (AND BLOG-TWITTER-FACEBOOK OPTIONS)

If a Region newsletter has not been published up until this time, one should be composed and sent out as soon as possible. This newsletter need not be *that* detailed, but it should at a minimum, have the names and contact numbers for all the officers, along with any information about one or two upcoming events. A simple typed document can suffice at this point, until a newsletter editor can get up to speed as to activities, and other newsletter features. One temporary substitute for a new Region newsletter could be a blog, Twitter or a Facebook account in the name of the new Region. And, fairly soon after formation, the new Region will need to consider creation of a suitable website. See the *RPM*, Section 6.

REGION OPERATIONS: *The Region Procedures Manual (RPM)*

Although the *RPM* is **not** included in the "Forming a New PCA Region" packet, it is an invaluable asset to use while forming a new Region, and is also intended as a guide for on-going Region management. The officers of the newly-formed Region should immediately obtain current copies of the *RPM* from the PCA National Office and study it. Paper copies of the *RPM* are also available for a nominal fee from the PCA Headquarters, PO Box 6400, Columbia, MD

21045. The *RPM* is also available online at www.pca.org. PCA members will need to log in, and then go to “Home”, then “Forms & Documents”, then “Region Management”.

MEMBERSHIP INTEREST SURVEY

If not already done, officers of the new Region should attempt to determine the interests of the members of the new Region and can do so through use of a membership survey handed out at the first general meeting. (See page 10 for a sample.)

OTHER FORMS TO BE COMPLETED BY NEW REGION

Additional forms will need to be completed by the new Region President, following chartering for the National Office. Please complete these as soon as possible and return.

CHARTER ISSUANCE

The PCA National Office will order and mail a copy of the Region’s official paper charter to the President. Delivery times will vary, but this should be in the new Region within six weeks of chartering. **Note:** The date the EC approved the Region-in-formation’s petition is its charter date.

DUTIES OF THE PRESIDENT

The President of the new Region will assume an awesome set of duties upon chartering. He or she should seek the counsel of the Zone Representative, who will have experience in the operation of a viable Region. Be sure to read the President’s duties in the *RPM*, as well as *job descriptions for all listed officers*. Activities for the first year or two should be low-key, as the Region finds what the members’ interests are. Finances should be watched carefully, as it is easy to get into debt. The new Region likely will not have any income until the first quarterly refund is received, and that sum will be small. The Region should have the new Region Treasurer make inquiries with several banks and savings & loan institutions, as some will offer no-fee accounts for non-profit organizations.

OFFICER TERMS OF OFFICE:

Although most Regions will be formed sometime during the year, unless a Region is chartered very late in the calendar year, or the Region officers’ terms are for two years, the new Region should plan to hold elections at the end of the first calendar year, and follow the steps in its Bylaws. (See the sample ballot on page 19.)

SAMPLE - PCA MEMBERSHIP INTEREST AND PARTICIPATION QUESTIONNAIRE

*(Could be handed out at your first general meeting of persons interested in forming a
PCA Region, prior to the charter application process.)*

(Check one)

- | <u>Yes</u> | <u>No</u> | |
|------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _____ | _____ | 1. Would you attend a monthly membership meeting of a local PCA Region? |
| _____ | _____ | 2. Would the <u> (2nd) </u> <u> (Monday - pick one) </u> of each month be a satisfactory meeting night for you? |
| _____ | _____ | 3. Would you be in favor of an occasional dinner meeting? |
| _____ | _____ | 4. Would you like to see all the meetings as dinner meetings? |
| _____ | _____ | 5. Would you like a short program with the meeting?
Suggestions for topics: _____ |
| _____ | _____ | 6. Can you offer or suggest a meeting place?
Where? _____ |
| _____ | _____ | 7. Would you be willing to support the Club in the capacity of an officer or committee chair? If you are interested in a specific job, please note below:
_____ |
| _____ | _____ | 8. Would you favor inviting other sports car clubs in the area to participate in activities with our club occasionally? |
| _____ | _____ | 9. Are you active in other sports car clubs or related organizations? If so, please name. _____ |
| _____ | _____ | 10. Are you currently a member of PCA?
If so, which Region? _____ |

What activities would you like to see a local Region offer? (Check one or more):

- | | |
|---------------------------|-------------------------------------|
| _____ Autocross | _____ Family-oriented Picnics, etc. |
| _____ Club Racing | _____ Gimmick Rallies |
| _____ Concours d'Elegance | _____ Slaloms |
| _____ Dinners | _____ Technical Sessions |
| _____ Drivers Education | _____ TSD Rallies |
| _____ Driving Tours | _____ Other (name) _____ |

Please circle any events above in which you have had experience in organizing.

Please complete and return to _____ *(name)* _____ Region, PCA at:

_____ *(address, city, state & zip)* _____

SAMPLE - LETTER OF PETITION FOR CHARTER

(New) _____ Region, PCA _____ *(Date)* _____
(Name)
National President, Porsche Club of America, Inc.

(Address) _____

(City, State) _____

Dear _____ :

We, the undersigned, herewith petition for a charter as a Region in the Porsche Club of America.

The name of the Region shall be _____ Region, PCA and the official mailing address will be _____. If a charter is granted, the _____ Region will observe the requirements and objectives set forth in the Bylaws of the Porsche Club of America, Inc. and will conduct itself in such a manner as to be a credit to PCA and the Porsche marque.

The boundaries of the _____ Region shall be:
(Specifically list all the counties, so as to define and limit the area to be included in the new Region. Include a ZIP Code list for the new territory. Finally, include a state map specifically showing the counties being sought for the new Region. If attached separately, write "See attached".)

We will pursue incorporation as a 501(c)(7) non-profit entity, for social membership clubs. This incorporation will be created at the earliest possible time, but certainly no later than the completion of the first year of our existence. (ONLY FOR REGIONS CHARTED IN THE USA)

We have read and understand the requirements for forming a PCA Region and have accomplished these goals. All required items have been sent to the PCA National Office.

The name and address of elected officers of the ____ *(new)* _____ Region are:
President: _____
Vice President: _____
Secretary: _____
Treasurer: _____

Please advise us at your earliest convenience of the disposition of this request.

(Attach a list of the names and addresses of at least 25 new or prospective members of the new Region.)

Respectfully submitted,

President, _____ Region

Secretary, _____ Region

Enclosures: List of names of prospective members, ZIP Code list & map of counties
cc: PCA Zone _____ Representative

SAMPLE - BYLAWS FOR A PCA REGION

*Note: These are included only as a **guideline** - your group may wish to alter them. Proposed Bylaws must be sent to the PCA Policy Chair and the General Counsel for review and approval, prior to EC vote on a Region's New Region Petition. In drafting Region bylaws, having a copy of the RegionFocus article (at the end of this manual, page 21) **and** a copy of the National Bylaws of PCA, Inc. is invaluable. National Bylaws are available on line at www.pca.org. Note some states/commonwealths or Provinces may have specific requirements for the Bylaws of non profit organizations. Advice of an attorney/barrister is highly recommended.*

Bylaws are the foundation for governance of all PCA Regional Clubs and are a requirement for any Region to receive its charter from the National organization. In accordance with Article XIII of PCA National Bylaws, chartered Regional Clubs must comply with National rules, regulations and recommendations. Hence, a Regional Club's Bylaws shall not conflict with PCA National bylaws. However, the language in the National Bylaws is not totally applicable to Regional Clubs.

To assist Regions in preparing or revising Bylaws that will be compliant with National Bylaws, this template is provided. It is worded for a 501(c)7 Social Club, as this is the IRS designation of PCA. If the Region has some other designation your bylaws need to be consistent with the requirements of that designation but must still not conflict with those of PCA.

The Policy Committee will review and approve all Regional Club Bylaws under revision or those contemplated for newly forming Regions only for the purpose of confirming that, in accordance with Article XIII of the National Bylaws, the proposed Regional Club Bylaws are in consonance with the National Bylaws. The Policy Committee will make recommendations to the Regional Club for revisions of the proposed Bylaws to bring them into consonance with the National Bylaws and will approve such language before the vote by the Regional Club membership. In the matter of disagreements on said language, the Executive Council is the final decision authority. Once approved by its membership, the Region will submit an electronic copy of the new Bylaws to the National Office for filing.

This Bylaws Template is provided as a guide. Language in emboldened black font is mandatory. Language in black font is recommended and can/should be adjusted according to Region preference, practice or need. Notes and clarifying language is italicized.

Bylaws of the [Insert Region name, as filed with the IRS]

ARTICLE I: NAME

The name of the Club shall be the [Insert Region name, as filed with the IRS]

ARTICLE II: GENERAL OBJECTIVES

The general objectives of the Club, to which its members are joined together and mutually pledged, shall be the furtherance and promotion of the following:

A. The highest standards of courtesy and safety on the roads.

B. The enjoyment and sharing of goodwill and fellowship engendered by owning a Porsche and engaging in such social or other events as may be agreeable to the membership.

C. The maintenance of the highest standards of operation and performance of the marque by sharing and exchanging technical and mechanical information.

D. The establishment and maintenance of mutually beneficial relationships with the Porsche Works, Porsche Dealers, and other service sources to the end that the marque shall prosper and continue to enjoy its unique leadership and position in sports car annals.

E. The interchange of ideas and suggestions with other Porsche Clubs throughout the world and in such cooperation as may be desirable.

F. The establishment of such mutually cooperative relationships with other car clubs as may be desirable.

[Optional] G. The preservation of the independence of the Porsche Club of America (PCA) and the [Insert Name] Region, free of control or undue influence by any outside individual, organization, company, or other entity, no matter how closely aligned to the Club in interest or purpose. In furtherance of this goal, the Porsche Club of America, [Insert Name] Region is and shall remain a totally member -driven and primarily member-financed independent entity allowing neither inappropriate nor undue influence, financial or material, from outside its domain, owing allegiance only to its members.

ARTICLE III: POWERS, CORPORATE SEAL, AND BADGE

Section 1 – Powers

The Club shall be empowered to do all things and conduct all business, not for profit, necessary to carry out the general objectives of the Club as set forth in the Certificate of Incorporation, issued under the statutes of the [state or province (choose appropriate one) Insert Region Name], and in these Bylaws.

Section 2 – Corporate Seal

The corporate seal of the Club shall be [Insert description of the Region seal if there is one. Otherwise delete Section 2], being inscribed with the name of the Club and the year and place of its incorporation.

[Note: if there is no Corporate Seal the Article III title should be changed and this section should be removed.]

Section 3 – Badge

The badge of the Club shall be [Insert description of the Region Logo]. The logo/badge for the Club shall be as shown on exhibit A to these Bylaws.

No substantial alteration to the logo/badge may be adopted by the Club unless approved by a 75% majority vote of its active and family active members.

[Note: It is prudent practice to ensure your Region's logo/badge is in compliance with PCA's Fair Use Agreement with Porsche Cars North America. If you do not have documentation from the National Office endorsing your logo as being in compliance, it is recommended you obtain this endorsement during the course of your Bylaws revision.]

ARTICLE IV: MEMBERSHIPS, DUES, AND FEES

Section 1 – Membership

Membership in the Club shall be restricted to owners, lessees, or co-owners of Porsches who are 18 years of age or older, and to such other persons interested in the Club and its objectives as provided in Section 2 (B), (C), and (D) of this Article. A Porsche is defined as an automobile body and suspension which is, basically, as manufactured by or designated as a Porsche automobile by Porsche, Porsche AG or its successor, which is powered by an engine which is, basically, one which was installed in such bodies by the manufacturer of such automobiles, although not necessarily in the body concerned.

Section 2 – Classes of Membership

A. ACTIVE – Any owner, lessee or co-owner of a Porsche acceptable to a Regional Club, who is 18 years of age or older, having paid Club dues and fees as required.

B. FAMILY-ACTIVE - An individual requested by an active member as his or her family-active member, restricted to persons 18 years of age or older, whether otherwise qualified for active membership by ownership of a Porsche or not.

C. ASSOCIATE – Any active member who ceases to own, lease or co-own a Porsche while in good standing, or any person, employed by a Porsche-oriented business, interested in the Club and its objectives having paid Club dues and fees as required. A person of the associate member's family who has been a family-active member as in (B) above, may continue as a family-associate member similarly.

D. AFFILIATE MEMBER – A person, 18 years of age or older, named by the active member at the time of joining or at any renewal of membership in lieu of a family-active member.

Section 3 – National and Regional Club Membership

No active, family-active, associate, family-associate, or affiliate member may hold membership in the [Insert Name] Region without at the same time being a member in good standing of a National Club which are each a separate legal entity.

Section 4 – Membership Application

Applications for membership may be made either through the National Office or [Insert Name] Region, either of which may reject it.

Section 5 – Dues

National annual dues for the various classes of membership shall be determined from time to time by the National Board of Directors. National dues shall be collected by the National Club, which shall refund to [Insert Name] Region such part thereof as shall have been set by the National Board of Directors. National dues shall be due and payable at the end of the month in which the member joined or in which the member last renewed.

Section 6 – Membership Year

The membership year for members in [Insert Name] Region shall be set forth by the National organization who will manage renewal notices. Members who do not renew shall be dropped from membership.

Section 7 – Privileges

Members, including family-active members, in good standing shall be entitled to all the privileges of the Club, except that associate members and affiliate members shall be entitled neither to vote nor hold elective office, and except further that family-active members, affiliate members, and family-associate members shall not be entitled to receive any duplication of any Club mailing to the active member. Ballots will be mailed (or, if electronic means shall have been approved in accordance with these Bylaws, then by mail, by electronic means, or any combination thereof), to active members only, with space for the vote of the family-active member. Only active members and family-active members, in good standing, shall be eligible to be nominated for elective Club office. The active and family-active member may cast only one vote each in any election or referendum.

[Note: Although not allowed by PCA bylaws, the Region may allow for Associate, Associate-Family and Affiliate members to vote and hold elected office within the Region. If the Region allows Associate and Affiliate members to vote and hold office, it is obligated to inform those members that they cannot vote or hold positions with the National Club; the National Bylaws only allow active and family-active members to vote and hold office.]

Section 8 – Suspension

Any member may be suspended by a two-thirds vote of the Region Board of Directors or by the National Club in accordance with its Bylaws for infractions of Regional Club or National rules or regulations or for actions inimical to the general objectives or best interests of Club or PCA.

Upon written notice of such suspension, the suspended member shall be afforded reasonable opportunity to be heard, in person or through a representative, by the PCA National Board of Directors or a committee appointed by the National Executive Council for the purpose, concerning the alleged misconduct. In order to be considered valid, such appeal must be made in writing within 45 days of the written suspension notification. If the

suspension was not for a stated length of time and no written appeal is tendered, the member is automatically expelled from PCA at the end of the 45-day appeal window. In the event of an appeal, the National Board of Directors may thereafter continue the suspension for a definite time, lift the suspension, or expel the member, and its decision shall be final. Suspensions of active and associate members are also applicable to family-active, family associate and affiliate members.

Section 9 – Resignations

Any member may resign by addressing a letter of resignation to the Secretary of the Regional Club or to the Executive Director of the National Office. The recipient shall inform the other of the resignation. The member's resignation shall become effective upon receipt and all Club privileges shall terminate as of that date. Resignation of an active member likewise terminates membership of his/her family or affiliate member. An active member may terminate the membership of an affiliate member named by written notification to the Executive Director of the National Office.

Section 10 – Transfers

Any member may request for transfer out of *[Insert Name]* Region to another region within the PCA. This request shall be submitted in writing to the National Office.

Section 11 – Termination

An active member or associate member may terminate or change the family-active, affiliate or family-associate membership by written notice to the National Office.

ARTICLE V: ELECTED OFFICERS

Section 1 – Elected Officers

The elected officers of the Club shall be a President, Vice President, Secretary, and Treasurer. Their terms of office shall be *one or two years (select preferred term)* and shall end on December 31. No officer shall serve in the same office more than two consecutive terms. No officer may continue in office if the officer shall move the officer's residence beyond the borders of the Club.

[Note: Two year terms are recommended for continuity in leadership of the Region.]

Section 2 – Eligibility

Only active members and family-active members, in good standing, shall be eligible to be nominated for elective Club office.

[Note: A Region may allow for Associate, Associate-family and Affiliate members to vote and hold elected office. If the Region allows these classes of membership to vote and hold office, it is obligated to inform these members that they do not have these privileges with the National Club, which only allows Active and Family-Active members to vote and hold office. A Region

President is a National PCA Board of Director; hence, a Region President MUST be an Active or Family-Active Member to vote in any National Board of Director meeting. The Annual Region Report forms require acknowledgement that the Region President is an Active or Family-Active Member. A Region will not be represented on the National Board of Directors if its President is anything but an Active or Family-Active member. It is also recommended that the Region not allow Active members and their designated Family Active member to both be on the Executive Council. It is further recommended that this should be written into the Bylaws.]

ARTICLE VI: ELECTED OFFICERS/ BOARD OF DIRECTORS

Section 1 – Elected Officers [*Elected Officers is preferred, or alternatively Executive Council or Executive Committee (select desired terminology)*]

The President, the Vice President, the Secretary, and the Treasurer shall constitute the [*insert Elected Officers/Executive Council/Executive Committee*] **in which the administration of the Club shall be vested. It shall be responsible for the proper conduct of the administrative affairs of the Club, the proper functioning of the committees, and shall ensure compliance with these Bylaws. All decisions of the** [*insert Elected Officers/Executive Council/Executive Committee*] **shall be by a majority vote unless otherwise provided in these Bylaws.**

Section 2 – Board of Directors

The [*insert as applicable: Elected Officers/Executive Council/Executive Committee*] **and last Past President continuing to be an active member of the Club shall constitute the Board of Directors of the Club. It shall be the responsibility of the Board of Directors to determine all matters of Club policy. The Board of Directors shall ensure the proper conduct of the governance of the Club and compliance with these Bylaws. All decisions of the Board of Directors involving major policy considerations shall be arrived at by mail, telephonic or electronic canvass of the entire Board, to the fullest extent permitted by law. All decisions shall be by majority vote of the Board members voting, to the fullest extent permitted by law. All decisions of the Board of Directors at any called meeting of the Board shall be by a majority of the votes cast by those members present, to the fullest extent permitted by law. At any meeting of the Board of Directors, representation of two thirds of those Board members shall constitute a quorum.**

ARTICLE VII: DUTIES OF OFFICERS

Section 1 – Duties of President

The President shall preside at all meetings of the [*insert Elected Officers/Executive Council/Executive Committee*] **and the Board of Directors and shall perform the duties usually pertaining to the President’s office. The President shall call at least** [*Insert number*] **meetings of the Board of Directors per calendar year. The President may call meetings of the** [*insert Elected Officers/Executive Council/Executive Committee*] **as the President may see fit and shall call such a meeting at the request of any 3 members of the** [*insert Elected Officers/Executive Council/Executive Committee*]. **The President shall cause to be published in the Club’s official publication a semi-annual** [*insert how often the report should be*

published] report on the status of the Club, its plans and programs, policy decisions reached by the Board of Directors and other pertinent matters dealing with the affairs of the Club.

[Note: A President's letter in each edition of the publication would fulfill the status report above.]

The President is a voting member of the National Board of Directors and participates in all National Board of Directors meetings.

[Note: There are at minimum two National Board of Directors meetings per year which are conducted electronically.]

Section 2 – Duties of Vice President

The Vice President shall assist the President in the conduct of the administrative affairs of the Club and perform such other duties as may be assigned to the Vice President by the President. In the absence of the President, the Vice President shall preside, and act as President. In case of the President's death, resignation or disqualification, the Vice President shall become President.

Section 3 – Duties of Secretary

The Secretary shall attend all meetings of the *[insert as applicable: Elected Officers/Executive Council/Executive Committee]* and the Board of Directors and shall keep full and complete minutes of the proceedings and of all votes cast thereat. The Secretary shall cause to be published in the Club's official publication notices of proposed and adopted amendments of these Bylaws and other matters relating to the proper conduct of the Club. The Secretary shall have custody of or cause to be kept the Club's National Charter and all non-financial records at all times. The Secretary shall perform all duties appertaining to the Secretary's office required by law.

Section 4 – Duties of Treasurer

The Treasurer shall have responsibility for all monies, debts, obligations and assets belonging to the Club. The Treasurer shall cause all monies of the Club to be deposited to the Club accounts in a bank or banks insured by the Federal Deposit Insurance Corporation. The Treasurer shall have direct control over, and supervision of, all Club assets and of all payments of Club debts and obligations. The Treasurer shall ensure strict compliance with these Bylaws in all matters pertaining to the financial affairs of the Club. The Treasurer shall cause to be published in the Club's official publication a full and correct report semiannually on the financial status of the Club. The Treasurer shall also give a full and correct report on the financial status of the Club at any meeting of the Board of Directors. The Treasurer shall cause to be maintained books of account which shall properly reflect the true and correct financial status of all receipts, disbursements, balances, assets and liabilities of the Club. All checks or other orders for the payment of monies in the name of the Club shall be signed by the Treasurer or by such other person(s) as designated by the *[insert Elected Officers/Executive Council/Executive Committee]*, and who is (are) overseen by the Treasurer. The Treasurer shall submit the Treasurer's books of

account and records to a certified public accountant, at Club expense, at the close of the fiscal year as directed by the Board of Directors. **The Treasurer shall have custody or cause to be kept the financial records of the Club**

[Note: The Certified Public Accountant audit is the best option, if affordable. At a minimum, the books should be reviewed annually.]

Section 5 – Duties of the Past President

The Past President shall have the responsibility to serve as a member of the Board of Directors to provide continuity. Duties shall be assigned by the *[insert Executive Council/Executive Committee]* and Board of Directors as needed for the improvement and advancement of the Club’s objectives.

Section 6 – Vacancies / Interim appointments

In the event of the death, resignation, disability or disqualification of the Vice President, Secretary, or Treasurer, the *[insert Elected Officers/Executive Council/Executive Committee]* shall make an interim appointment to the office so vacated for the balance of the unexpired term.

In the event of the death, resignation, disability or disqualification of a candidate for the office of Vice President, Secretary, or Treasurer, running unopposed, or elected but not yet seated, the *[insert Elected Officers/Executive Council/Executive Committee]* shall make an interim appointment to that office for not more than one year, during which time a special election will be held to fill the office for the remainder of the term.

*[Note: Optional language for the Region BOD failure to attend: ‘The *[insert as applicable: Elected Officers/Executive Council/Executive Committee]* may declare vacant the seat of any Board of Director member who is absent from three (3) consecutive meetings of the *[insert Elected Officers/ Executive Council/Executive Committee or Board of Directors]* without reasonable cause or report submission.’]*

Section 7 - Financial Accounts

The *[insert Elected Officers/Executive Council/Executive Committee]* will specify a minimum of one additional Elected Officer’s name other than the Treasurer as signature authority on the Club’s accounts.

[Note: Make sure this section language is consistent with Article VI, Section 1 and XI, Section 6]

ARTICLE VIII: STANDING COMMITTEES and SPECIAL COMMITTEES

[Note: Standing Committee Chairs may serve as voting members of the Board of Directors if the Region desires. It is not mandatory.]

Section 1 – Appointment of Standing Committee Chairs

Standing Committee Chairs are appointed by a majority vote of the *[insert as applicable: the Elected Officers/Executive Council/Executive Committee]* and may, in like manner, be dismissed by the majority vote of same, except that a unanimous vote of the *[insert Elected Officers/Executive Council/Executive Committee]* shall be required for the appointment of the chair and members of the Nominating Committee and for their dismissal or replacement.

Any voting member of the Club may serve as a member or Chair of a Standing Committee.

[Note: A Region's Bylaws must be consistent. If associate and affiliate members are allowed to be chairs of standing committees, then the Bylaws must allow them to vote in Region elections. The Nominating Chair must be a voting member of the Club, and must NOT be a current member of the Executive Council.]

Section 2 – Number

There shall be *[Insert Number]* standing committees of the Club, as follows:

- 1) Nomination
- 2) Safety
- 3) Membership
- 4) Website
- 5) Official Publication

[Note: These five standing committees are the recommended minimum number that a Region typically needs to function. Other Committees that the Region may choose to create are Tours, Autocross, Driver Education, Concours, Rally, Social Media, Charity, Club Racing, Social, Insurance, Technical, Historian, Chief Driving Instructor, Sponsorship/Dealer Liaison. For New Regions each of these positions does not need to be filled immediately, but if they are not addressed in the bylaws, the bylaws would need to be changed to add them, which is a much more difficult process. Please check your state/province requirements for non-profit boards - What are the minimum number of persons? Are there requirements for a minimum number of "directors"/chairs?]

Section 3 – Standing Committee Members

Standing Committee members must be a member in good standing of the Club and may vary in number as required to accomplish the work of each committee. Committee members may be appointed by Standing Committee Chairs. Committee members may be dismissed or replaced by a majority consent of the *[insert Elected Officers/Executive Council/Executive Committee]*.

Section 4 – Duties and Responsibilities

Committee Chairs are accountable to the *[insert Elected Officers/Executive Council/Executive Committee]* and shall submit an annual written budget of all anticipated expenses and income in connection with their function.

Section 5 – Special Committees

The *[insert Elected Officers/Executive Council/Executive Committee]* may create such other ad hoc committees from time to time as required to execute the Club's special activities, events, or objectives.

Section 6 – Term

Standing Committee Chair and member terms are from January 1 to December 31 of each year. They will automatically renew each year up to a term limit of *[Insert number]* years, or unless terminated by a majority vote of the *[insert Elected Officers/Executive Council/Executive Committee]*.

ARTICLE IX: ELECTION OF OFFICERS

Section 1 – Nominating Committee

The *[insert Elected Officers/Executive Council/Executive Committee]*, by unanimous vote, shall appoint a Nominating Committee Chair and the other Committee members. The Nominating Chair must be a voting member of the Club. No member of the Nominating Committee may be elected to an office in the same year in which he or she serves on the Nominating Committee. The Nominating Committee is responsible for nominating a slate of officers to serve in the following term. Not later than September 1 *[suggested date, insert preferred date and adjust election process dates as appropriate]* of each election year, the Nominating Committee shall recommend to the *[insert Elected Officers/Executive Council/Executive Committee]* at least one, preferably two, or more candidates for each elected Officer position.

[Note: Choose a deadline date that the Club can comply with given the planned date of the election – typically during the November or December meeting.]

Section 2 – Nominations by the Members

Active and family active members in good standing may nominate candidates for each office. Such nominations must be submitted to the Nominating Committee not later than *[insert date]* September 1 of each year.

No member may be nominated or placed on the ballot without their consent.

Section 3 – Notice of Elections

In the official publication for the Club for October of any election year, the Secretary shall cause to be published a notice of election and the names of all nominees for office.

[Note: Choose a deadline date that the Club can comply with given the planned date of the election – typically during the November or December meeting.]

Section 4 – Ballots

During the first fifteen days of October of any election year, the Secretary shall cause to be mailed (or, if electronic means shall have been approved in accordance with these Bylaws, then by mail, by electronic means or any combination thereof), to all current active members a notice of election and a ballot.

[Note: Choose a deadline date that the Club can adhere to given the planned date of the election – typically during the November or December meeting.]

Active and family-active members are entitled to one (1) vote each on any and each issue arising.

[Note: Voting privileges must be consistent with the Region’s membership class privileges.]

The ballot shall contain:

- **Names of the nominees**
- **Instructions to vote for no more than one candidate for each Officer position.**
- **Space for voting for the ACTIVE member’s vote and the FAMILY ACTIVE member’s vote.**
- **Space provided for write-in votes.**
- **Space provided for the signature of each voting member, their individual membership number, and their email address (if appropriate).**
- **A statement noting the calendar date deadline for the receipt of ballots.**

The notice of election shall set a return date for the ballot which shall be at least 30 days before the end of the year.

[Note: Choose dates that the Club can comply with given the planned date of the election and the means for voting – typically during the November or December meeting.]

All ballots must be received by the Secretary no later than [select date] November 1. Ballots may be mailed or sent electronically.

[Note: Please ensure that electronic balloting is allowed in the state/province. If not reference to electronic balloting should be removed. If the Secretary is up for election, he/she cannot receive and/or count ballot. Designate a teller if this is the case. Choose a deadline date that the Club can comply with given the planned date of the election – typically during the November or December meeting. Voting privileges must be consistent with the Region’s membership class privileges.]

Section 5 – Tellers

On or after [select date] November 1, the Secretary and a member in good standing who is not running for office in the election, shall count and tally all ballots received by the deadline. If the active Secretary is on the ballot, the Past President shall substitute, or another member in good standing with no direct interest in the outcome.

Ballots received after the deadline shall not be counted unless there is a tie for any of the positions. If a tie remains after all the late ballots are tallied, the Secretary (or Past

President) shall flip a coin in the presence of the candidates or members present to determine a winner.

Written protests shall be directed to the *[insert Elected Officers/Executive Council/Executive Committee]* within 15 days of the results being announced. The *[insert Elected Officers/Executive Council/Executive Committee]* has 15 days to hear the objection and determine a resolution. The *[insert Elected Officers/Executive Council/Executive Committee]* decision will be final.

Section 6 – Notice of Election Results

The Secretary shall cause to be published within 30 days the results of the election in the Club’s official publication and/or on the Club’s website.

Section 7 – Duties of Newly Elected Officials

Upon tabulation of the votes, the Secretary shall immediately notify all those on the ballot of the election results. The President-Elect shall, as soon as feasible, call a meeting of the newly constituted *[insert Elected Officers/Executive Council/Executive Committee]* for the purpose of appointment of committee members whose terms are to start at the first of the next year, as well as other appointments which may be required. At the discretion of the President-Elect, the meeting described above may be by telephone or electronic means.

ARTICLE X: FISCAL YEAR

The fiscal year of the Club shall be the calendar year.

ARTICLE XI: OBLIGATIONS AND INDEBTEDNESS

Section 1 – Authority to Incur Obligations or Indebtedness

Only persons authorized by the *[insert Elected Officers/Executive Council/Executive Committee]* to act on behalf of the Club shall incur any obligation or indebtedness in the name of the Club. All obligations or indebtedness incurred in accordance with the provisions of these Bylaws shall be incurred as corporate obligations. No personal liability whatsoever shall attach to or be incurred by any member or officer of the Club by reason of any such corporate obligation or liability.

No elected officer or any other person authorized to act on behalf of the Club shall incur any obligations or indebtedness in the name of the Club in excess of the sum of *[Insert Sum]* without prior approval of a majority of the *[insert Elected Officers/Executive Council/Executive Committee]*, for standing operating expenses (such as that are within the region’s approved budget).

[Note: The excess sum can be 0.00. Be cautious in making this value too high, as it would require a bylaw change to amend. What is the amount of money that is reasonable to allow a member (or all of the members) of the EC to incur that is financially supportable? Examples of

potential expenses that would/could be considered in line with the Club's objectives would be – travel expenses to the Zone President(s) meeting, expenses related to other administrative duties (printer cartridges, paper, printing costs, and web hosting expenses). If the Region does not have a printed publication the section/reference regarding printing and mailing in the above exception should be removed.]

Section 2 – Unauthorized Obligations

No elected Officer or any other person authorized to act in behalf of the Club shall incur any obligation or indebtedness in the name of the Club which is not for the general benefit of the entire membership of the Club nor shall the *[insert Elected Officers/Executive Council/Executive Committee]* or the Board of Directors approve the incurring of any such obligation or indebtedness.

Section 3 – Personal Liability for Unauthorized Obligation

The incurring of any obligation or indebtedness in the name of the Club by any elected Officer or member in contravention of these Bylaws shall be an ultra vires act. The person or persons responsible for such act or acts shall be personally liable, individually and collectively, to the Club in an amount equal to the obligations or indebtedness which the Club may be required to pay.

Section 4 – Conflict of Interest

No Board Member shall engage in any transaction that could create a conflict of interest with the Club. Board Members shall disclose to the *[insert Elected Officers/Executive Council/Executive Committee]* any potential conflicts between their personal interests and the Club's. No Board Member shall vote on any matter in which they have a material financial interest or conflict of interest.

Section 5- Financial Oversight

All Committee Chairs, Special Appointees and individual members of the *[insert Elected Officers/Executive Council/Executive Committee]* shall prepare and submit annual budgets to the Treasurer for collective review and approval by the *[insert Elected Officers/Executive Council/Executive Committee]*.

The Treasurer shall submit and the *[insert Elected Officers/Executive Council/Executive Committee]* shall internally review and audit quarterly reports on the Club's finances. The Treasurer shall give a full and correct report on the financial status of the Club at any meeting of the Board of Directors.

The Treasurer shall cause to be published in the Club's official publication a full and correct report semi-annually on the financial status of the Club.

The Treasurer shall submit the Club's financial records for an annual review at the close of the fiscal year, for audit as directed by the *[insert as applicable: Elected Officers/Executive Council/Executive Committee]*.

[Note: This section regarding your Region's oversight needs to be consistent with the wording in Article VI, Section 1 and Article VII, section 7.]

ARTICLE XII: – MEETINGS

Section 1 – *[insert Elected Officers/Executive Council/Executive Committee]* Meetings

Meetings of the *[insert Elected Officers/Executive Council/Executive Committee]* may be called at any time, but at least *[Insert the minimum frequency]*, by the President or by a majority of the *[insert Elected Officers/Executive Council/Executive Committee]* members. Each *[insert Elected Officers/Executive Council/Executive Committee]* member shall be notified of such meeting at least seven (7) days prior to the time set for the meeting. A simple majority of the *[insert Elected Officers/Executive Council/Executive Committee]* is required to pass a voting issue, with a majority of Officers in attendance.

[Note: Ensure this is compliant with your state/province non-profit requirements.]

Section 2 – Board of Directors Meetings

[Note: Elected Officer meetings constitute Board of Directors meetings. If the Region opts to have Standing Committee Chairs as members of the Board of Directors, then the following language is appropriate for Board of Director Meetings for Regions wherein Committee Chairs and other appointees are members of the Board.]

Meetings of the Board of Directors may be called at any time, but at least *[Insert the minimum frequency]*, by the President or by a majority of the Board of Directors. Each Board Member shall be notified of such meeting at least seven (7) days prior to the time set for the meeting. A simple majority of the Board of Directors is required to pass an issue being voted on, with a majority of Members in attendance.

[Note: Meeting attendance, regardless of what constitutes the Board of Directors, may be electronic or in person.]

Section 3 – Club General Membership Meetings

Meetings of the members shall be at such time and place as designated by the *[insert Elected Officers/Executive Council/Executive Committee]*. Due notice of any Club Member Meetings shall be given by publishing in the official publication, on the club's website or via other electronic notice that reaches the entire membership.

Special meetings of the members may be called by the President, by a majority of the *[insert Elected Officers/Executive Council/Executive Committee]*, or by a petition signed by five (5) percent of the members. Due notice shall be given stating the date, time, place, and purpose of any such meeting at least ten (10) days before such meeting.

A quorum at any special meeting of the members shall consist of ten (10) percent of the voting members in good standing, or ten (10) voting members in good standing, whichever is larger.

Voting – At all meetings of the members, each active or family-active- member in good standing shall be entitled to one vote on any matter which may be properly brought before the membership. Such vote may be via voice or by written ballot.

Conduct of Meetings – The President, or in his/her absence the Vice President, shall preside at all meetings and will manage the agenda, discussion and voting.

Guests - Guests shall be permitted at all meetings unless a closed meeting is declared by a majority vote.

ARTICLE XIII – OFFICIAL PUBLICATION

The Club shall publish an official publication to announce upcoming events, official notifications, stories about activities, etc.

ARTICLE XIV: AMENDMENT OF BYLAWS

Section 1 – Review

Bylaws will be reviewed annually by the Board of Directors in January.

[Note: This is optional, but highly recommended as the newly elected Board should review the Region’s Bylaws annual so they understand how the Club is mandated to function.]

Section 2 – Amendment of Bylaws

Proposed amendments to these Bylaws may be considered upon either recommendation by a majority of the Board of Directors or by written petition signed by at least ten (10) active or family-active members in good standing. The Secretary shall prepare the suggested amendment(s) in such a manner as appropriate for incorporation in these Bylaws.

Section 3 – Approval of Proposed Amendments

The proposed amendment(s) shall be printed in the official publication of the Club or on the Club’s website within sixty (60) days thereafter, together with an explanation of the proposed amendment(s) and the voting process.

Section 4 – Ballots

Voting upon amendment(s) to the Bylaws shall be by ballot. Ballots will include space for providing the signature of each active and family-active voting member, their membership number, and their email address (if appropriate). Ballots cast in accordance with procedures adopted under this Article XV shall be valid, and all other ballots shall be invalid.

Amendment(s) to these Bylaws shall be approved by a majority of the votes cast by the voting membership. A 10-percent quorum of the voting membership in ballots must be received if the amendment is to be passed. Members, if they so choose, may vote by mail or electronically, subject to submission deadlines and directions communicated in the official publication of the Club or on the Club’s website at the time of publication of the proposed amendment(s).

Section 5 – Tellers

The Secretary and two voting members appointed by the President shall open, count and tally all ballots, and certify the results.

Section 6 – Notice of Vote or Referendum Results

The results shall be read into the minutes of the meeting and published in the next issue of the official publication of the Club or published on the Club’s website within seven (7) days.

SAMPLE - LETTER GRANTING TERRITORY RELEASE

(Existing Region) Region, Inc.
PORSCHE CLUB OF AMERICA, INC.

(Date)

_____, President-Elect
(Name of New Region) Region, PCA

(Address)

(City, State)

Dear _____,

With reference to the charter application by the *(new)* Region, Porsche Club of America, Inc., the Board of Directors of *(existing)* Region, PCA, has unanimously endorsed said action and hereby grants the release of

(List specific counties here)

_____ counties from the territory of this Region. A map is attached verifying this territory.

We wish this new Region success with this endeavor and stand ready to assist in any way we can.

Sincerely,

_____, President
 (Existing PCA Region)
_____, Secretary
 (Existing PCA Region)

Enclosures: County list *(if lengthy)* and map(s)

cc: PCA Zone _____ Representative

SAMPLE - LETTER RELEASING FINANCIAL ASSETS

(New) _____ Region, Inc.
PORSCHE CLUB OF AMERICA, INC.

(Date)

_____, President

(Existing) Region, PCA

(Address)

(City, State)

Dear _____,

With reference to the charter application by the _____ *(new)* Region, Porsche Club of America, Inc., the proposed _____ *(new)* Region hereby relinquishes claim to any and all financial assets of the _____ *(existing)* Region.

Sincerely,

_____, President-Elect

(New Region)
 _____, Secretary-Elect

(New Region)

cc: PCA Zone _____ Representative

NOTE: This is to be sent to all Regions from which members and territory are taken.

SAMPLE BALLOT

BALLOT FOR (Year) OFFICERS

 (New) REGION, PORSCHE CLUB OF AMERICA, INC.

To vote, place “X” or check mark in appropriate line and sign at bottom:

	<u>CANDIDATES</u>	<u>MEMBER</u>	<u>FAMILY / AFFILIATE MEMBER</u>
President:	_____	_____	_____
	_____	_____	_____
Vice President:	_____	_____	_____
	_____	_____	_____
Secretary:	_____	_____	_____
	_____	_____	_____
Treasurer:	_____	_____	_____
	_____	_____	_____
Signatures:	_____	_____	_____
	Active Member		Date
	_____	_____	_____
	Family / Affiliate Member		Date

Each member should indicate his or her choices, sign and mail or fax the ballot, no later than (selected date) to:

(Name and address of the person selected to tally the vote)

A copy of the *RegionFocus* article: “Region Bylaws - Their Importance and Relevance” follows here.

Region Bylaws - Their Importance & Relevance

By Doug Pierce, *Kansas City Region, Zone 10 Representative*
David Novack, *Northern New Jersey Region, PCA General Counsel*
Phil Doty, *Bluegrass Region, Procedures Chairman*

Purpose

The purpose of this *RegionFocus* article is to outline some best practices in reviewing and ultimately updating your Region bylaws. It is not intended to be an authoritative dissertation on what to do and what not to do. Ultimately, it would be in the best interests of the Region to recruit a member who is an attorney to chair the bylaw review committee or to review the bylaws and proposed amendments for form and appropriateness.

It is important that a Region board review its bylaws periodically to ensure they reflect the manner in which the Region currently operates. If the Region no longer operates in a manner consistent with the bylaws, either the bylaws should be amended, or the operations of the Region should be brought back into conformance with the bylaws.

Background

PCA Regions have evolved over the years in both the scope and manner of their operations. It is imperative that the bylaws keep pace with that evolution. Since the bylaws prescribe the manner in which the business of the Region must be conducted, failure to comply with the bylaws may give rise to liability on the part of officers and directors if those bylaws are violated. At a minimum, the activities of the officers and directors as well as the Region may be called into question if they violate the bylaws.

Ideally, Regions should review their bylaws on a periodic basis- at least every five years. Such a periodic review will avoid the substantial undertaking of a belated comprehensive review if only conducted once every decade or so. Review should be by a committee appointed by the Board of Directors.

Notwithstanding this best practice, many Regions have not reviewed their bylaws for many years. One reason for

Continued on page 2

FROM THE EDITOR Bylaws

Bylaws are the backbone of any Region. They define its organizational structure, processes and procedures that ultimately ensure successful activities and programs. More importantly, they are the rules and regulations by which the Region will be incorporated and governed by the state or province in which it resides. What with PCA now a relatively mature organization and widely recognized for the lawful and efficacious way it provides services to its members, it behooves our Regions to draft, approve, and periodically review bylaws to be in compliance with our greater club philosophy and National guidelines. Previous RegionFocus issues have discussed the importance of incorporation and bylaws (See Volume 11, Number 1 entitled 'Region Income Tax Primer' and Volume 4 Number 5, entitled 'Winter House Cleaning'), but this is the first issue that has dealt with this matter head on. For that, I would like to thank Doug Pierce, David Novack and Phil Doty for bringing this all together.

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this oversight is the inability of the Region to find its bylaws. Because PCA Regions are volunteer organizations, this is somewhat understandable. Records often get misplaced during transitions from Region administration to Region administration over the years and, after awhile, may be misplaced or inadvertently destroyed. The best practice for retaining the Region's bylaws is to have them within the Region Secretary's permanent documents and to have copies archived with the PCA National office.

The Importance of Bylaws and Incorporating

The preferred organizational structure of a PCA Region is a corporation. Corporate law is, for the most part, created on a state by state basis. Most states have adopted some form of the Model Business Corporation Act, meaning that the law governing corporations is similar but not identical from state to state.

RegionFocus has previously addressed why it is essential for Regions to incorporate. Volume 11, Number 1, entitled 'Region Income Tax Primer', explains in detail the rationale and courses of action Regions should consider for incorporation so as to establish some form of tax exempt status with their respective state's internal revenue service. Check it out at this link: http://www.pca.org/portals/regionfocus/RF_11-1.pdf 'How to Form a

PCA Region', a new document that will be available in March from the National Office, also goes into detail on this topic.

Bottom line: every region should be incorporated with its state. The Certificate of Incorporation is the document filed with the state which gives birth to a corporation. The document may be called the Articles of Incorporation or the Corporate Charter. The document sets forth the name of the corporation, the purpose(s) for which it was formed and other information about the structure of the business entity. Your Region must have a copy of this document in its permanent records. If you do not have it, you can request a copy from the office of the secretary of state in the state where the region is incorporated.

Bottom line: every region should be incorporated with its state.

As a general rule, the Certificate of Incorporation does not require amendment with one exception. The certificate generally identifies the name and address of the Region's registered agent. This is the person with whom the state will correspond with any official information. It is critical to maintain a current address for the registered agent.

Most corporations pay a company to act as its registered agent. In this way, no information is lost. There is, however, an annual fee associated with that service. Some Regions use as a registered agent an attorney or accountant who has a relation to the Region. Alternatively, the Region may elect to use their president as the registered agent. If the Region opts for this latter course, the certificate must be amended every time the president changes.

The bylaws of a corporation are the rules and regulations by which a private corporation, i.e. an incorporated PCA Region, governs its day to day operations. Usually, the original bylaws of a corporation are adopted at the organizational meeting of the corporation's board of directors. Thereafter, bylaws may be amended by the board and/or the members, as the bylaws may provide. Bylaws are generally not filed with the state, but should be maintained by the Region.

The Certificate of Incorporation and current bylaws are documents which every incorporated PCA Region should have in its records. If current bylaws are not available, write new ones and adopt them as soon as possible.

As a general rule, state laws govern the manner in which a corporation operates. However, the bylaws of a corporation may modify state law for



the convenience of the officers, directors, and members of the corporation. In many instances, the prescribed method of operation by state law is not efficient for a corporation. Consequently, close attention should be given to tailor the bylaws to the needs of the corporation. If an issue or procedure is not addressed in the bylaws, state law will usually control.

Drafting and Reviewing Region Bylaws

To bring Regions into conformance with the contemporary business environment, many Region bylaws are in need of serious overhaul, from both a legal standpoint as well as a practical one. A case in point is electronic communications, i.e. email. If your Region's bylaws have not been updated in the last 10 years or so, it is likely that most formal Region communications are required to be by mail, meaning transmission by the U.S. or Canadian Postal Service. As a result, if notice of board meetings is given by email, but the bylaws require notice by regular mail, a meeting scheduled by email may not be valid and actions taken at that meeting may be determined to be invalid.

There are some general drafting guidelines which must be considered when creating or revising bylaws. Terminology and amendments within the bylaws must be consistent. For

example, if the Region has a board of directors which governs the Region, the bylaws should use that terminology and not refer also to a board of governors, an executive committee and/or an executive council, unless those bodies have been defined in the bylaws and exist in the Region.

To bring Regions into conformance with the contemporary business environment, many Region bylaws are in need of serious overhaul, from both a legal standpoint as well as a practical one.

Avoid revising only portions of the bylaws- the entire document should be reviewed as one body to eliminate internal inconsistencies and avoid conflicting provisions. Any amendments must be read in the context of the entire bylaws.

Setting dates, notice requirements, and other time related events should also be consistent. For example, if your November elections require sixty days

prior notice to the Region members, which notice is to be published in the September newsletter, will the newsletter be adequate notice to all?

Suggested Bylaw Topics:

As indicated well in the current Region Procedures Manual (RPM) "Each Region of PCA operates as an autonomous body within the scope of the National Bylaws. This means that they function as essentially local sports car clubs under sanction. They elect their own officers, generate their own bylaws, hold their own events, publish their own newsletters, host websites, and hold their own meetings." Thus, each Region has its own unique character and situations. It would be foolish to lay down boilerplate bylaws language for all Regions to adopt. One size definitely does not fit all when it comes to bylaws. However, there are certain subjects that should be addressed in all Region bylaws in one form or another, enumerated as Articles. Moreover, consistency, particularly in relation to the National bylaws, is the goal.

Some of the critical topics to be addressed in the bylaws include:

- Designation of the organization name
- Statement of corporate objectives

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- Outline of powers of the corporation
- Definition of membership categories, dues and fees
- Elected officers
- Administrative organization (Executive Council and/or Board of Directors)
- Duties of Elected Officers
- Election of Officers and other corporate officials
- Standing Committees and appointments
- Definitions of meetings and meeting requirements
- Statement of fiscal year
- Obligations and indebtedness
- Treatment of surplus funds
- Bylaw amendment procedures

These topics, each of which would typically be found in a separate article in the bylaws, would include the details concerning each subject. The PCA National Bylaws provide an example of how these topics are organized and detailed. The above list is not exhaustive and the Region may find it desirable to include other operational topics within the bylaws.

Organization Name

This one is easy. State your Region name, as it appears in your Articles of Incorporation. Hopefully, it is the same name that appears on your Region's PCA charter. If in doubt, check with the PCA National office. Sometimes the PCA charter date is referenced with a statement to the effect that the Region is operated as a Regional Club of the Porsche Club of America.

This article of the bylaws should also describe, in general terms, the seal of the Region and its badge or logo.

This initial article is also a good place to define how your Region is referenced throughout the rest of the bylaws assuming you don't want to spell out the whole thing in every location, e.g. Very Big and Utterly Grandiose XYZ Region hereinafter referred to as "Club." This should negate any confusion between your Region and the PCA National Club. However, be absolutely sure to be consistent with whatever you do throughout the rest of the bylaws document.

If you have a choice, the best practice is to have the name of your Region precede any reference to PCA. In that way, the Region will maintain its separate and unique character from PCA National, particularly in computerized or internet indices.

Objectives

Spell out your Region's objectives here. The objectives should be consistent with those set forth in your Certificate of Incorporation. A good start is a review of the objectives contained in the PCA National bylaws. The Region's objectives should logically be consistent with the objectives of the National organization. There may, however, be additional activities in which your Region engages which should be spelled out in the bylaws. One which is often omitted is to engage in charitable activities.

Powers of the Corporation

Again, PCA National bylaws are a good place from which to model this article, tailored of course, to your local situation. This article of the bylaws should also describe, in general terms, the seal of the Region and its badge or logo. The Region should obtain a formal seal which can be embossed on paper as some legal documents require it.

If Region badges and logos are used, this is the section to describe them. It



would also be advisable to include a method or approval process for badge and logo changes.

Membership, Dues, and Fees

Since individuals are actually members of both PCA National and a PCA Region, this Article should in the first instance, reflect the bylaws of the PCA National organization with regard to membership categories. In fact, it may be appropriate in the Region bylaws to simply include a reference to the PCA National bylaws, at least for general membership requirements, classes of membership, and National/Regional membership, for this Article. If PCA National should change the membership requirements or categories for some reason, Region bylaws might not have to be modified to reflect those changes.

Other sections such as membership application should be included to describe the actual process used by the Region for new membership application. The dues section can be modeled after or refer to the PCA National bylaws, with inclusion of verbiage to cover Region supplemental dues, if any. Even if your Region does not have Regional dues or assessments, it is advisable to have such a mechanism available to the Region, for future use if it becomes necessary.

When describing the rights and duties attendant to the various classes of

Region members, the terminology must be very specific. It is probably best for the Region to follow the classes of memberships that are identified in the PCA National bylaws. However, it is up to the Region as to whether those membership classes have rights in the Region that are different from those in the national club. For example, affiliate members may not vote or hold office in the national club, however many Regions extend those rights to those members.

Even if your Region does not have Regional dues or assessments, it is advisable to have such a mechanism available to the Region, for future use if it becomes necessary.

Membership year and privileges sections can again be modeled after or refer to the National bylaws since these items are set by PCA National, augmented as required to reflect local Region requirements. However, individual Regions may wish to extend certain privileges such as voting or holding

office to a category of members broader than that which is allowed in the National bylaws. The Region should consider these options and be guided accordingly.

The suspension section of this Article should garner special attention in that suspension or revocation of an individual's Regional membership is a serious endeavor not to be taken lightly by the Region since suspension by the Region results in automatic suspension from PCA. This unfortunate circumstance has caused problems for a number of Regions with weak or non-specific bylaw procedures for dealing with the situation.

The PCA National bylaws should be used as a guide, but modified to provide for Regional procedures and appeals rather than PCA National action. The procedure in the National bylaws applies only to membership in the National club. Moreover, the bylaw provision addressing suspension of a member should use the same terminology as is used in the National bylaws. Terms such as suspension, expulsion, termination and the like should be defined and be consistent.

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Things to consider for inclusion in the suspension section in the Membership article of the bylaws at the Region level include:

- What is the standard for imposing discipline?
- What forms of discipline, e.g. suspension, expulsion, termination, etc., may be imposed?
- Who can/should be involved in bringing a suspension/expulsion action forward?
- How should the suspension/revocation action be initiated?
- Should the action be dealt with, at least initially, at the Regional executive/administrative level with possible appeal to the Regional board or the membership?
- What role, if any, will the offending member play in the suspension proceeding?
- What constitutes a quorum at various stages of the proceedings and how is voting accomplished?
- By what voting margin(s) is the action upheld or rejected.
- Is there a procedure for review or appeal?

Suspension of membership is a serious matter and should be addressed in detail under the Region's bylaws.

Membership resignation is ultimately handled at the PCA National level. Regions may want to adopt this section from the PCA National bylaws or include it by reference, with any modifications or additions felt necessary to meet the unique situation within their individual Region.

Elected Officers and Appointments

There are no hard and fast rules on what Region officers need to be included in the organization structure. Both state law and the Region's Articles of Incorporation will contain initial information concerning officers and/or the structure of a Board of Directors, but these may routinely change, as stipulated in the Articles of Incorporation, through amendments to the bylaws as may be required.

Many Regions elect officers for a period of one year, with re-election for a maximum of two consecutive terms.

Ordinarily, the minimum number of elected officers would be three, President, Vice-president, and Secretary/Treasurer. Depending upon

the work load, the jobs of secretary and treasurer may be separated. Depending upon the size of the Region, it may also have other elected officials who are at large representatives of the members.

Corporations will have a Board of Directors that will possibly, but not always, include some or all of the elected officers and other elected or appointed officials. It all depends on what the Region wants to do and how many people need or want to be involved in the operations of the Region. Keep in mind, however, that being a member of the Board of Directors is a serious responsibility which should only be assumed by those members who will be actively engaged in the running of the Region.

The length of elected officer terms and term limitations should be defined in this Article. Many Regions elect officers for a period of one year, with re-election for a maximum of two consecutive terms. This again is totally dependent on the culture of the Region, some Regions desiring or allowing long term dynasties, others limiting members to very short terms in office to allow new people a chance at steering the ship of state.

Appointed positions in the Region can also be defined here. Most Regions have at least a few appointed positions, newsletter editor and webmaster are the most common, but there can be



many more depending on the size, complexity, and variety of the activities of the Region. Appointments, as defined here, can be made in a number of ways—by Region President only appointment, Presidential appointment with Region Executive Council approval, Board of Directors vote, drawing of straws, etc. The options are endless. Again it depends on the desires and needs of the Region. Whatever appointment procedure is arrived at should be captured in this area of the bylaws.

Keep in mind, however, that the appointed positions, usually committee chairs, are the members who do a lot of the heavy lifting in the Region. The appointment procedure should ensure that the most qualified members in the Region are appointed.

Consideration should be given to defining how vacant positions are to be filled should an officer not be able to complete their term of office for whatever reason, or become temporarily incapable of fulfilling defined duties because of a transient health issue or personal circumstances. Typically, the vice president will succeed to the office of the president if the latter becomes unable to serve. As for all other elected offices, they are generally filled by presidential appointment with approval of a majority of the Board of Directors, or by some other mechanism more suitable

to the Region. Length of the appointment should also be defined but is usually for the balance of the term of the vacated office. If the Region has term limits, it should be specified as to whether an appointment to fill out a vacated term constitutes a term for purposes of term limitation.

Consideration should be given to defining how vacant positions are to be filled should an officer not be able to complete their term of office for whatever reason, or become temporarily incapable of fulfilling defined duties because of a transient health issue or personal circumstances.

Administrative organization

The administrative organization title here is just a place holder. This bylaws Article should be titled appropriately

upon determination of the actual organizational structure. Many Regions follow the PCA National lead of defining an Executive Council and a Board of Directors to run the long term and day to day operations of the Region, your organization can be just about anything that meets the objectives of your individual Region. The Region Executive Council is typically comprised of the Region's elected officers plus the most immediate past President available. The responsibilities of the Executive Council should be defined in somewhat broad terms, but with enough specificity to adequately set proper boundaries between it and the Board of Directors.

Likewise, the Board of Directors make-up should be defined, the Director positions determined to be elected or appointed, terms, term limits, duties, and responsibilities outlined. Ultimately, it is the responsibility of the elected and appointed officials of the Regional administrative staff to make sure the Region functions in accordance with the bylaws.

Other administrative aspects of the Executive Council and/or the Board of Directors should be set forth in this section. Will all the positions be voting or will some positions be non-voting? Must all the positions on the Board be filled by appointment? Can the Executive Council or the President

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create special or temporary positions on the Board?

Officer duties

The duties of elected Region officers need to be defined. Not necessarily in specifics, but in enough detail as to define the scope of work and responsibilities of the position. Items to address include, but are certainly not limited to, such topics as chief executive duties, signature authority on bank accounts, meeting scheduling, organization and reporting, succession in the case of officer incapacitation or removal, keeping of financial records, etc. Anything that the Region feels is appropriate to assign responsibility for, or limit the authority of any officer, is fair game for definition under an officer duties Article. The RPM has a section devoted to this subject.

Consideration should also be given to how to handle matters when something within the elected officer corps goes amiss. Examples include the death of an officer, an officer leaves or moves out of Region, an officer resigns, or for circumstances under which an officer should/can be removed from the position short of suspending or revoking his or her PCA membership. Anything that can be addressed and planned out before a catastrophe will make it easier to handle what is likely to be an unpleasant situation when and if it happens.

Election of officers

A critical bylaws Article concerns the nomination and election of Region officers. Sections addressing nomination of candidates via nominations by a committee and/or by the membership at large, timing of notices, method of notice (here starts a possible chain of conflicts concerning electronic vs. conventional communication), ballots and balloting, how the votes are tabulated and by whom, and results notification to the membership. In this

Unless well defined and unambiguous procedures are set forth in the bylaws, and are actually followed for elections, nasty conflicts can erupt over the validity of those elections.

electronic age, how votes are cast is also an important issue. Can votes be emailed? How is the vote verified? When members vote, must it be in person, by ballot, or by email or other internet device?

Voting requirements, both at the board level and the member level

must be plainly stated. If a board member holds two positions, will he/she get two votes? Do they count twice for purposes of establishing a quorum? Where an action by the Region requires the vote of the members, is it all the members, only the members that vote, or a percentage of the members that attend a meeting? Clarity in drafting will avoid disputes in the future.

Unless well defined and unambiguous procedures are set forth in the bylaws, and are actually followed for elections, nasty conflicts can erupt over the validity of those elections. When in doubt, incorporation of an outside reference such as Roberts Rules of Order procedures by reference can provide a source for defining voting procedures. But, be sure you understand the requirements and complexities of any outside references noted before binding yourself to their procedures.

(Editor's note: Sean Cridland, Zone 9 Representative is currently drafting a future RegionFocus article on the subject of Region Elections that will address some of these points.)

Committees and Appointments

Any standing committees that the Region feels necessary should be named and defined in the bylaws.



What committees are to be standing committees, how the standing committee is chaired, the term (if any) of the committee chair, duties and functions of the committee, committee reporting, etc. should be addressed.

Formation of temporary committees should also be considered with many, if not all, of the items covered for standing committees applicable to the temporary committee.

Dissolution of committees, standing or temporary, should also be considered. Frequently, the term of a committee and its chair have the same limit as the term of the president which established the appointment.

Meetings

The only meetings that need to be defined in the bylaws are those for the conduct of Region business. Usually these would include, depending upon the administrative structure of the Region, meetings of the Executive Council, Board of Directors, special meetings, and an annual business meeting to meet the requirements of the State in which the Region is incorporated. Typically, the annual business meeting of the Region is the one at which elections occur if voting is in person.

The Executive Council or Board of Directors meetings can be easily

combined into one meeting. Most Regions have general Region administration business meetings once a month to keep current on the internal operations of the Region.

Consideration should be given to making the business meetings open to the general membership of the Region for no other reason than transparency. When meetings are held privately, suspicions can arise within the ranks of the general membership, rumors can sprout, and dissension is likely to erupt.

It may be desirable for the bylaws to require that the secretary publish the minutes of any meeting in the Region's newsletter and/or on the Region's website.

This does not necessarily mean that any general member can spontaneously participate in the meeting without invitation from the Region management, but at least they are free to observe. It is a good idea to post meeting minutes on the Region's website for all to see, again in the effort for openness. It may be desirable for the bylaws to

require that the secretary publish the minutes of any meeting in the Region's newsletter and/or on the Region's website.

This policy would not preclude meetings in executive session that would exclude members outside of a designated group in order to discuss potentially sensitive subjects such as personnel matters, special recognitions, or other similar topics not ready for general membership consumption. These should be rare and with conclusions publicly announced as soon as appropriate.

This Article should also establish voting requirements for approving motions before or actions of the Board. Usually, a simple majority (50% + 1) of the voting board members at a meeting can approve a motion. The problem with this is that the majority of board members attending a meeting may be a relatively small percentage of the overall board. For example, if a board had 20 voting members, 11 members would be a quorum and six votes would be a majority. As a result, certain serious actions, such as suspending a member, incurring substantial debt, or dissolving the Region might require a greater majority, such as two thirds.

The bylaws should define what administrative meetings are to be held, when they are to be held, where they

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are to be held, who is authorized to call special meetings, what constitutes a quorum at any of the defined meetings, who is responsible for and how meeting notices are to be disseminated, how meeting times and locations can be changed, and similar mechanics for conducting required meetings. If an outside generally recognized definition or framework for conducting meetings is adopted, this is the section in which it should be delineated. If delineated, it then becomes the required meeting conduction method to be specifically followed, unless other modifiers are incorporated, such as "in general conformance with..." Then you have some leeway. In many situations, Roberts Rules of Order procedures are incorporated by reference in order to establish the manner in which business is formally conducted at Region meetings.

Statement of fiscal year

Another easy one. State the start and finish dates of the Region's fiscal year, usually the calendar year. If something different, specify the exact dates. Note that a tax year different from the calendar year must be approved by the IRS in the United States."

Obligations and indebtedness

This Article should define who may incur, and how expenditures for the

Region are to be made, how they are authorized, monetary limits to be imposed on any individual acting on behalf of the Region without additional authority, method(s) of authorizing expenditures, etc.

Exactly what constitutes a justified expenditure on behalf of the Region should be defined. Liability issues should be determined, for both authorized and unauthorized expenditures. Legal counsel is encouraged to help determine the correct verbiage here as there are significant legal ramifications for unauthorized expenditures of Region funds including personal liability.

The Region should have a budget procedure in place which will anticipate the generation of funds and the disposition of those funds.

This section may also set forth the method by which the Region will attempt to protect itself from unauthorized spending. Some Regions require that anyone who can sign a check must be bonded. Other Regions

require dual signatures on checks above a certain amount.

The protections should be read in conjunction with duties of the treasurer. Those duties should include the circulation of a periodic treasurer's report, the circulation of the monthly bank statement and/or the retention of an independent accountant or auditor.

Treatment of surplus funds

A method for determining the appropriate amount of funds to be retained in the treasury and methods for dispersing excess funds should be defined. Although most of the time this is not a problem, determination of the process for disbursement of excess funds prior to the occurrence makes it easier. Language can be general to allow for some flexibility if the need arises. One of the purposes of the Region, as described in the Certificate of Incorporation and the Article above, should include the proposed manner for disposing of excess funds.

The Region should have a budget procedure in place which will anticipate the generation of funds and the disposition of those funds. As a general rule, the Region should not be generating funds significantly in excess of its needs.



Bylaw amendment procedures

Your bylaws will not be perfect, and will not anticipate all situations possible, now and especially into the future. For that reason, the bylaws should be reasonably general in nature so as to accommodate situations that cannot necessarily be foreseen at the present time.

Nevertheless, a mechanism to amend the bylaws must be defined. Bylaws need to be adaptable, but changes should not be especially easily accomplished. Consideration should be given to opening the debate, and the ultimate adoption of bylaw changes, to the widest number of people, typically the entire Region membership. Many in the general membership will not be interested, but should be given the chance to voice their opinions nonetheless.

There may be advantages to having alternate methods of amending the bylaws. One option would be by a super majority (2/3) of the board. Alternatively, a majority of the members attending a business meeting may approve bylaw amendments. Voting by a mailed written ballot is also an option.

How bylaw amendments are to be proposed, notification made, voting, tallying of the votes, announcement of the voting outcome, etc. should be

defined. These provisions can logically be similar to election of officers, but obviously tailored for acceptance or rejection of bylaw amendments. Amendments can be voted on as a whole, by Article, by section, sentence, or even by word if desired and practical. Determination of the percentage of the vote total needed to accept, or reject, changes should be clearly defined and can be different if the voting is by written ballot or by voice or hand vote at an annual or special meeting.

A mechanism to amend the bylaws must be defined. Bylaws need to be adaptable, but changes should not be especially easily accomplished.

Some states require that approved amendments to the bylaws be filed with the state at the time of the organization's annual report. Check with the state agency responsible for your state of incorporation's requirements. It is also a good idea, as mentioned at the beginning of this article, to send a copy of any amended bylaws to the Executive Director at PCA National to keep with

your Region's files for safe keeping and future reference.

Some words to the wise from Doug Pierce and David Novack:

In the above commentary, several references to the state of incorporation, or state's requirements have been made. Similar requirements may be required for the Regions in Canada with "state" and "province" interchangeable as applicable. Again, however, consultation with a local attorney is highly recommended.

The bylaw Article titles indicated throughout the preceding are intended to be generally descriptive. The actual Article title your Region uses should be determined as appropriate to describe the major items covered within that Article.

It is recommended that legal counsel be consulted when creating or amending bylaws. There are many pitfalls that can be avoided by getting the wording right, at least in a legal format sense. Most Regions have one or more lawyers within their ranks that could possibly be coaxed into volunteering to at least review, if not take the lead, in bylaws production or modification. You may also contact the PCA General Counsel or your Zone Representative for advice.

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REGION FOCUS

management ideas for PCA regions



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As mentioned several times previously, a good model to emulate, especially in the "don't know where to start" situation is the PCA National bylaws, available online at www.pca.org under the "Regions" tab (after login). Obviously, the PCA National bylaws are specifically written for governance of the PCA National organization and several Articles and sections will not apply to Regions. The form and content as applicable to Region operations is what is valuable. Take what's applicable and adapt it to your Region's requirements. Drop the rest. In any event, however, you must avoid creating Regional bylaws which conflict with the National bylaws.

The current Region Procedures Manual contains valuable information concerning many of the areas normally touched upon in Region bylaws. I would recommend a good review of SECTION 3 – PCA REGION OPERATIONS prior to tackling bylaws writing or amendments.

With a bit of work and perseverance, a Region's bylaws can be brought up to date and will form a solid foundation for your operations. This works if, and only if, after you have made the effort to modify your bylaws, you actually follow the new and improved document.

David Novack, PCA's General Counsel, is conducting a review of all region bylaws. If your region would like to participate in that project, please forward your most current bylaws to dnovack@buddlamer.com



REGION FOCUS

management ideas for PCA regions

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