

Chapter One

Association Structure/Non-Profit Status

Tax Exempt Structure

All USBC chartered associations operate under its 501(c)(3) tax status; therefore being exempt from federal income taxes. It is important that all associations abide and uphold the Purpose Statement found in the USBC, state and/or local bylaws. If an association fails to meet this condition, the IRS may revoke the tax-exempt status, and/or USBC may revoke the association's charter.

Asset Distribution

To maintain tax-exempt status, USBC associations must ensure that the organization's assets are permanently dedicated to an exempt purpose. None of the association's net earnings can benefit a private individual or specific association group.

Association Dissolution

Upon dissolution all of the organization's assets remaining after payment of its lawful obligations shall be distributed in accordance with the requirements and regulations of Section 501 (c)(3) of the Internal Revenue Code.

The association must file a final IRS Form 990 by the 15th day of the fifth month after the liquidation, dissolution or termination. Any association that enters into a merger effectively dissolves on the day the new merged association begins.

See Chapter 19 of the USBC Association Policy Manual for further information.

Association Legal/Non-Profit Structure

All USBC associations are required to maintain corporate status as required by the association's state government. This ensures that the association's existence is legally recognized and limits the board and association's liability. Whether the association is incorporated or not, an individual committing a wrongful act as a board member can still be held personally liable.

To avoid personal liability:

- Be familiar with your association's Articles of Incorporation and bylaws.
- Make sure the association complies with federal and state laws.
- Avoid relationships that place you in a conflict of interest.
- Attend association meetings (board/committee) so you are aware of current association activities.

In addition, associations file corporate documents (i.e. Articles of Incorporation, amendments, corrections, annual reports, name changes, mergers and change in registered agent, etc.) with the Secretary of State's corporate section or its equivalent.

Additional information may be found on the Association page of BOWL.com under Forms and Manuals:

- Association Governance Structure



- Jurisdictional Structure
- Non-profit Structure
- Tax Exempt Status
- Tax Information and IRS