

FREQUENTLY ASKED QUESTIONS REGARDING MERGING

1. How will USBC determine which centers go with which associations?

USBC will try to follow the current jurisdictions in place whenever possible. In extreme cases, the center will have the option to choose which merged association they want to be serviced by.

2. Do the centers get the choice in what association the youth will belong to?

Each bowling center will have one merged association servicing their men, women and youth. In some cases, the center will have the option to choose which association they want to be serviced by. As is the case today, centers will have the option to self-process their Youth members if they so choose. The Youth bowlers will be members of the association which has jurisdiction over the center.

3. What happens when one association has more money than another association?

Per the USBC Policy Manual, Chapter 3, Section E, prior to merging and after payment of all bills, lawful obligations and liabilities, the association has the right to assign up to 25% of their funds to future endeavors of the new association. The earmarked funds should benefit the membership, such as for the women's or open championship tournaments or for scholarships. When earmarking funds, it cannot be for more than a three-year period. All existing assets have come from the members and should continue to be used to fulfill the association's purpose.

4. Who can serve on the Transition Committee?

Any member of the association can serve on the Transition Committee if appointed to serve. However, each association must have equal representation on the committee and should not be selected based on gender.

5. Does the transition committee have to be made up of 50% male and 50% female?

No, the transition committee must consist of equal representation from all boards involved in the merge process. Who they appoint is up to that board of directors.

6. What happens to an association that hasn't merged by August 1, 2018?

As of August 1, 2018, USBC will no longer recognize associations that are not merged and offering services to men, women and youth, and their charter will no longer be active with USBC.

7. Do all associations in a state have to merge together?

No, all associations that are currently non-merged are required to offer services to men, women and youth in their jurisdiction to continue to be recognized by USBC.

8. Can youth associations continue as a non-merged youth association?

No, all associations must service men, women and youth by August 1, 2018.

9. We have been merged as adults in the past, with no Youth board members, as they have always been processed by a different group. Do we have to have 20% youth director representation on our board?

Yes, all merged associations will be required to follow the USBC local merged bylaws which require at least 20% of their board to consist of youth directors (directors representing youth).



10. Does the new merged board have to be made up of 50% men and 50% women?

No. The slate presented by the nominating committee should be representative of the membership. The nominating committee's responsibility is to develop a slate of candidates that balances the interest of all members and the needs of the association.

11. Can the transition chairperson run for a position on the merged board?

Yes.

12. Can the nominating committee chair run for a position on the merged board?

No, the nominating committee chair is not eligible to run for an office on the new board of directors.

13. What will our new association's name be?

The association will submit a name to USBC for approval and will follow the format of ***** USBC. It is also suggested that associations create a new email address and website URL to reflect the new association's name. Ex: grdallasusbc@gmail.com

14. Will we receive a logo with our new association?

Yes, USBC will provide all new merged associations with an updated logo.

15. What will happen if the funds are not turned over in a timely manner after a merger takes place?

Charges can be filed with the USBC Rules Department against the board members of the previous association who were in control of those finances.

16. I've never processed state dues before, how do I process them?

For state associations that charge dues, they are collected by the local association (through the Electronic Funds Transfer) and transmitted through WinLABS with the local fees. USBC then credits the state association's account through an EFT. USBC WinLABS support will work with each association to set up the products necessary for the association to process dues properly.

17. All three merging associations have a SMART account; can we combine these accounts?

No. Not at this time, but SMART can put the accounts together, so when the provider logs in they can pick the account they want to use. We recommend more than one person have access to the account, as audits must be done.

18. One association has a SMART account; does that transfer to the new association?

Yes, the new association would manage this account. However, SMART must be notified to:

1. Change the name of the account
2. Identify the people to manage the account

19. Should our SMART account be audited as part of the merger?

Yes. This account is no different than an association bank account and would be part of the monthly verification by the association president, and the yearly audit by outside auditors.



20. How and when does a state determine its delegate structure for the Organizational Meeting?

One of the first items of business that a state transition committee should address is the delegate structure for the Organizational Meeting. The delegate structure should take into consideration the existing associations, but must offer equal representation for all. This information should be made available to all local associations as soon as possible, as elections must take place for these delegates. (Please refer to Transition Committee document.) Also, the current state associations do not receive delegates to the Organizational Meeting, as only local association delegates are granted authority to have a vote at an Organizational Meeting.

21. Do the existing state associations get delegate representation to the state Organizational Meeting?

No. Since this is a newly formed state association, the former state associations are not recognized as having voting rights for the Organizational Meeting. Only local association delegates have a vote at a state meeting. If someone on a state board wants to be a delegate to the Organizational Meeting, they would need to be elected as a delegate from their local association.

22. Who appoints the transition committee?

The transition committee members are chosen by each individual board of directors from those who express interest in serving on that committee. As it is not a traditional committee, it is not necessary that the President appoint the members. The board as a whole should be involved in choosing the people who have the best interest of the merger in mind.

23. Do term limits from the non-merged associations carry forward to the new merged association?

As the new merged association will have its own terms and term limits, past terms would not count towards the new association. Essentially, everyone would start from scratch regarding term limits when elected to the new board.

24. If our association is planning on merging in the next year, is it necessary to have elections at our annual meeting where we elect directors for 2 year terms, when they will only be in that position for one year?

Yes, the bylaws require that all elections be held at an annual meeting each year. You are required to follow the bylaws that you are currently working from, which includes terms. These terms will simply expire when the new association begins.

25. If our association is planning on merging in the next year, is it necessary to have elections at our annual meeting. Can we just extend their current terms for another year?

No, the bylaws require that elections be held at an annual meeting each year. Even though the association will be merging, you must follow the bylaws that are in place now.

26. How much money should we have on hand as reserves?

According to the USBC Policy manual, Chapter Two, Section B, the association should maintain reserves between 6-9 months, not to exceed two years of fixed costs.

27. Our association has much more money than the other two associations we are merging with and more than the recommended reserves, can we spend the money on things such as board dinners so we are on equal financial footing for the merger.

The association should NOT alter their expenses versus how they would traditionally spend their membership revenue just due to the upcoming merger. This would be financially irresponsible. The association's spending should always be in line with its purpose. Michael Best & Friedrich, LLP, USBC's legal counsel, stated:

- The IRS is using the "commensurate test" to create and enforce a standard that ensures exempt organizations are spending in line with their resources". Simply put, this means that the IRS is going to ensure that Associations are not hoarding their funds, but are spending the funds to support the purposes for which they received their exemption from taxation.
- If an association violates IRS requirements it may have its exemption from taxation cancelled.



- If the IRS were to challenge the exempt status of an Association, the potential financial impact on the Association coupled with legal fees to defend an IRS proceeding, could jeopardize its continued viability.

The membership of the association will still need the funding after the merger takes place, the same as they need it now. Additionally, it is to be expected that the associations would not be on identical financial footing.

28. We worked hard to raise the funds, why should the other two associations get to have the monies?

It is the membership's monies. The membership of the association will still be there after the merger takes place and the association will need funding to continue to serve the membership.

29. We don't plan on spending excessively but we would like to give some monies back to the membership. What are recommended ways to do this?

- Increased marketing materials for the association such as posters, flyers, banners, etc.
- Promoting the sport at community festivals/fairs
- Holding Coaching Clinics
- Youth Scholarships
- Hosting Charity events
- Holding tournaments
- Adding monies to the prize fund. Please keep in mind that if you are adding monies to first place, this only benefits one person. It is also recommended to spread the monies over multiple events. Having consistently good payouts will be more beneficial than a one-time large tournament.

30. If we have excess funds, can we decide not to charge dues or cover portions of the state/national fees?

USBC strongly discourages this practice. It is unsustainable and will be only a short-term benefit for the membership. The funds are better used in ways which could help the membership even after the merger takes place. Also, consider what the membership will see in the upcoming years after the funds have been spent. They could and will likely see not only an increase back up to normal membership fees, but also increases in the national, state and local fees due to inflation. When possible, it is recommended that membership fees stay consistent.

31. What is the quorum requirement for the Organizational Meeting?

There are no quorums for Organizational Meetings. (Please refer to Organizational Meeting document)

- Locals – any member in attendance may vote
- States – any delegates in attendance may vote. Members have voice only.

**Please note, the FAQ's will be updated as more questions arise that will help provide clarification to associations, see the Forms and Manuals page of BOWL.com/Associations for the most updated copy*

