



ASSOCIATION OF ENERGY ENGINEERS

CHAPTER FINANCES

It is imperative that careful financial records be kept by the Chapter. The following sections will convey important information on how to get funds to operate your chapter and how to file the required financial reports.

- ❖ **Funding the Chapter**
- ❖ **Appropriation Policy for Chapters**
- ❖ **Financial Reporting**
- ❖ **Annual Chapter Operations Report**

FUNDING THE CHAPTER

It is very important that your Chapter have enough money to operate. This can be accomplished in many different ways. The following are some examples used to obtain operating funds:

RAISING FUNDS VIA CORPORATE SPONSORS

Solicitation of companies to participate in your local AEE Chapter is a good place to begin. You should make a list of those organizations that you think would be able to make a small contribution to your local Chapter in exchange for becoming a Corporate Sponsor.

CHAPTER DUES

All Chapters should have a fee they charge in addition to the membership fee sent annually to AEE Headquarters. Local Chapter dues can be collected by AEE Headquarters upon request. When a Chapter's dues are collected by AEE Headquarters, a quarterly report listing names of all paid members and a check reflecting this amount are mailed to the Chapter President. Each Chapter is asked to confirm their wish to participate in this program each October 15 to ensure the correct billables.

TRAINING PROGRAMS SPONSORED BY THE CHAPTER

Your Chapter could sponsor an in-house training program and depending on how the pricing is structured, use the profits to fund the Chapter.

COMMERCIAL SPONSORED MONTHLY MEETINGS

Sometimes a large local organization like a utility may be encouraged to sponsor a meeting at their location and provide the dinner or lunch to attendees free or at a reduced cost.

APPROPRIATION POLICY FOR CHAPTERS

Since 1978 the Association of Energy Engineers (AEE) has helped new chapters become established and continue to operate through its Chapter Appropriation Policy.

CHAPTER APPROPRIATIONS

Chapters are eligible for an appropriation based on the number of AEE members in good standing* who have attended one or more of the local chapter's meetings during the previous twelve (12) months. For example, appropriations for fiscal year 2020 are based on members who attended meetings in 2019. The chapter will provide this number and the members' names each year in the Annual Chapter Operations Report.

ELIGIBILITY

A Chapter is eligible for appropriation if it complies with all of the following requirements:

- The annual Chapter Operations Report must be filed by February 15 of each year.
- A minimum of three meetings must be held each year.
- The membership of the Chapter must include at least ten members in good standing of AEE the parent organization.
- All Chapter officers must be *members of AEE in good standing of AEE the parent organization.

AMOUNT OF APPROPRIATION

The amount to be appropriated to chapters will be determined by the Board of Directors.

FINANCIAL REPORTING

Chapters should never file tax or information returns with the Internal Revenue Service or any state agency. Each chapter is an unincorporated branch of AEE which annually files form 990 and 990-A with the IRS combining the financial statements of AEE Headquarters with those of AEE Chapters.

Chapters should not apply to IRS for a Federal Identification Number but should consult AEE Headquarters for the number that has been assigned by IRS to your chapter through this office. Your number should be used for all banking activities.

Any inquiries received from IRS or any state agency regarding information of tax returns are to be routed to AEE Headquarters immediately.

It is important that Chapters complete and return the Chapter Operations Report by the deadlines given to ensure proper reporting by AEE Headquarters. The Chapters' Reports become a part of AEE's tax returns for that year. The inclusion of this Report allows AEE to intervene on the Chapter's behalf if they are approached by the IRS.

AEE's status as a 501(c)(6) organization does not exempt AEE or its chapters from state sales tax.

**A member in good standing is a member of the Association of Energy Engineers, the parent organization, whose dues are up to date.*