

THE BUSINESS OF BARBERSHOP

A CONSOLIDATED AT-A-GLANCE CHAPTER BUSINESS GUIDE

FOR BHS CHAPTER PRESIDENTS, SECRETARIES, AND TREASURERS

FOR CHAPTERS IN THE USA

Your chapter is a business, a 501 (c)(3) non-profit corporation to be exact. Accordingly there are certain legal, financial, and business requirements that must be met; some every month, some only as needed, and some on a schedule throughout the year. One of the problems we have faced down through the years is the lack of a coordinated understanding of who is responsible for what and when they are responsible for doing it. This guide is intended as a “**QUICK-REFERENCE GUIDE**” to lay out a work plan for your chapter’s executive team showing who is responsible for what and when so things are no longer “somebody else’s” responsibility and might actually get done.

EVERY MONTH

- **PRESIDENT**
 - Prepare monthly Board Meeting Agenda with Chapter Secretary.
 - Preside over monthly Chapter Board Meeting.
 - **SECRETARY**
 - Prepare agenda for monthly Board Meeting with Chapter President.
 - Download a current chapter roster from the Society’s online Chapter Management system, **eBiz**, located at <https://ebiz.barbershop.org/ebusiness>.
 - Verify with the membership any changes in contact information (mailing address and emails and phone) and update it on **eBiz**.
 - Include in the minutes of the Board Meeting.
 - Pass off to Membership VP for follow-up on lapsed members.
 - Take minutes at the board meeting.
 - **TREASURER**
 - Keep an accurate record of all chapter income and expenses.
 - Process the payment of bills.
 - Report the current financial status at every Board Meeting.
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ANY MONTH AS NEEDED/REQUIRED

- **PRESIDENT**
 - Fill any vacancies on the Chapter Board of Directors by having the Nominating Committee select a candidate and have him stand for election by the remaining Chapter Board.
- **SECRETARY**
 - Chapter Officer Changes:
 - Record any changes in the make-up of the Chapter Board...
 - In the minutes of a Chapter Board Meeting.
 - This will bring them under the Society’s Fidelity Bond.
 - Under the **CHAPTER OFFICER** link in eBiz at <https://ebiz.barbershop.org/ebusiness>.

- With your Secretary of State, Incorporations Section (or equivalent agency), if required in your state.
- Statement of Continuing Existence:
 - File with your state's Secretary of State, Incorporations Section (or equivalent agency) any state required **Statement of Continuing Existence**. This date/requirement will vary by state.
 - Report any filing of a Statement of Continuing Existence in the eBiz **FINANCIAL FILINGS** section at <https://ebiz.barbershop.org/ebusiness>.
- Registered Agent:
 - File with your state's Secretary of State, Incorporations Section (or equivalent agency) any state required update of your **Registered Agent**.
 - Your Registered Agent is the person whose name and address are on file with the state as the official point-of-contact for communications and legal service.
- Show Clearances:
 - File necessary **BMI Show Clearance Applications** before finalizing show venue and guest quartet contracts. Most districts have a policy prohibiting competing shows in close proximity to one another. This distance will vary from district to district and approval is usually first-come, first-served. Check with your District Secretary for the policy in your district. The earliest cleared show will usually control the date. If allowed in your district, resolving the conflict usually means presenting a written waiver of district policy from the controlling chapter to the District Secretary. **IN ANY CASE...NO SHOW CLEARANCE, NO SHOW.**
 - Download a "fillable" copy of the BMI form here: <http://www.barbershop.org/document-center/category/71-show-clearance-and-legal-ascap-etc.html?download=19%3AApplication-for-show-clearance-bmi-and-sesac-license>
 - Submit the completed BMI application to your District Secretary for approval.

Gary Hannah, SWD Secretary
4313 Honduras Drive
Corpus Christi, TX 78411-5007

- Once cleared, you will get a copy of the executed BMI Show Clearance for your chapter records by email. You should have a copy with you at the show, just in case.
 - Your show will be added to the District's Show Calendar when cleared.
- Chapter Journal of Public Service:
 - One important aspect often overlooked is **maintaining a contemporaneous journal of your public service**. This record comes in handy should your tax exempt status ever be challenged by the IRS, as it documents your charitable service. Don't wait to do it from memory. Update the record as you go along. It will be a stronger record than one compiled from memory and is generally admissible as evidence in court proceedings when kept contemporaneously.
- Insurance Certificates required by show venues:
 - Many venues require that you name them as an additional insured on your Society provided liability insurance. The form and instructions for doing that are located here: <http://www.barbershop.org/document-center/category/68-insurance-documents.html?download=524%3Acertificate-of-liability-insurance-request-form>

- **TREASURER**

- Process required **BMI Show Clearance** payments as needed.
 - BMI Form here: <http://barbershop.org/document-center/category/71-show-clearance-and-legal-ascap-etc.html?download=19%3Aapplication-for-show-clearance-bmi-and-sesac-license>
- **THIS IS A CHANGE – ASCAP payments are due once per year at the END OF THE YEAR. You can submit the form earlier – many submit the ASCAP form and preliminary payment of the MINIMUM with their first BMI Show Clearance Application – but if your annual ticket sales exceed the new, lower threshold, you will be recalculating the fee due at the end of the year.**
 - ASCAP Form here: <http://barbershop.org/document-center/category/71-show-clearance-and-legal-ascap-etc.html?download=1000%3Aascap-reporting-form-2014>
 - The **minimum** annual **ASCAP** fee for **2014** is **\$237.00** (subject to change in subsequent years without notice) on the first **\$29,625.00** of gross ticket sales. ASCAP Fees on gross annual ticket sales in excess of that are due on a sliding scale located on the form.
 - **WARNING – This represents a significant decrease in the threshold beyond which you will own more than the annual minimum. Thus, many of you will owe more than the minimum.**
 - **Send ASCAP form and payment, payable to BHS, to the District Secretary at:**

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SCHEDULED THROUGHOUT THE CALENDAR YEAR

JANUARY

- **PRESIDENT**

- **Appoint a Nominating Committee** to develop a proposed slate of officers for the annual chapter election held in October. They should **report back 30 days ahead of the Annual Chapter Meeting but not later than September 15th** so the slate can be reported to the membership ahead of the annual chapter meeting in October.
- Appoint a committee to perform the **Annual Financial Review** and **report back before May 15th** with their results. This committee should NOT include the Treasurer as the review is essentially a “peek over his shoulder” to verify the quality and integrity of his work.
 - See Treasurer Exhibits for format, Pages 25 & 26 here:
<http://barbershop.org/images/phocadownload/BHS-Treasurers-Exhibits-FULL-201003-Stk-4081.pdf>

- **SECRETARY**

- Monthly Board Meeting
 - Read into the minutes of the Board meeting the names of any members who can reasonably be expected to handle money in any capacity for the chapter throughout the year. This extends to those individuals coverage under the Society’s Fidelity Bond. Elected chapter officers are automatically covered, assuming their election was recorded in the minutes of the Annual Chapter Meeting at which they were elected.

- **TREASURER**

- When asked, surrender financial records to the Annual Financial Review Committee. As this is a “peek over your shoulder”, you should NOT be a part of the committee.

FEBRUARY

- **PRESIDENT**
 - You are the presumptive chapter delegate to the **Spring District House of Delegates Meeting**. If you cannot make the meeting, please designate an alternate and have his name read into the minutes of a Board Meeting.
 - Share with membership the Spring Convention information.
 - **SECRETARY**
 - If your chapter selects an Alternate Delegate to the **Spring District House of Delegates Meeting**:
 - Record the name of the alternate in the minutes of a Chapter Board Meeting.
 - Report that fact to the District Secretary
 - **TREASURER**
 - **IRS Forms 1098/1099 are due to the IRS and to anyone your chapter pays** (director, show quartets, etc.) **by February 28th of each year.**
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MARCH

- **PRESIDENT**
 - Attend the District House of Delegates Meeting as the official delegate for your chapter.
 - **SECRETARY**
 - Verify your chapter's **incorporation status** with your state's Office of the Secretary of State, Incorporations Section (or equivalent agency).
 - Post to the Financial Filings section of eBiz the date to which your chapter's incorporation is good. If "perpetual", enter 1/1/2099.
 - Verify your chapter's **Registered Agent** information with the Secretary of State and update it if necessary. Changes to your Registered Agent should be approved by your chapter Board and reflected in the minutes of a Chapter Board Meeting.
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APRIL

- **PRESIDENT**
 - Remind your Treasurer that the **IRS Form 990-N E-Postcard filing is required by May 15th and that it is his responsibility to do the filing and then report back to you when he has done it.**
 - Remind the Annual Financial Review Committee that their Financial Review must be filed **by you** with Society HQ by May 15th.
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MAY

- **PRESIDENT**
 - Receive the report from the **Annual Financial Review** Committee.
 - Post a copy for the membership to review.
 - File a copy with Ashley Torroll at Society HQ
 - ATorroll@barbershop.org

- Give a copy of the report to the Chapter Secretary for the record.
 - Review with the Treasurer.
 - Receive from the Treasurer a copy of the acknowledgement of the **IRS 990-N E-Postcard** filing (or 990 Return).
 - Give a copy to the Secretary to be filed in the chapter's official record.
- **SECRETARY**
 - Receive from President a copy of the Annual Financial Review
 - Post to the Financial Filings section of eBiz the date the Annual Financial Review was filed with Society HQ.
 - Receive from President a copy of the IRS acknowledgement of filing IRS Form 990-N and file with chapter records.
 - Post to the Financial Filings section of eBiz the date the IRS Form 990-N was filed with the IRS.
- **TREASURER**
 - File your IRS Form 990-N E-Postcard filing by May 15th.
 - [http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-\(e-Postcard\)](http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-(e-Postcard))
 - <http://epostcard.form990.org>
 - Provide a copy of the IRS's acknowledgement of the filing to your President.
 - Review with the President the Annual Financial Review.

JUNE

- **PRESIDENT**
 - Verify with Secretary that 990-N filing information was reported on eBiz.
 - Verify with Secretary that the Annual Financial Review was reported on eBiz.
 - Verify with Secretary that State Incorporation information was reported on eBiz.
 - Inform membership of the upcoming **Society International Convention**.

JULY

- **PRESIDENT**
 - Review Society Board developments with the membership

AUGUST

- **PRESIDENT**
 - Verify Nominating Committee is preparing the Slate of Officers for the coming year.

SEPTEMBER

- **PRESIDENT**
 - Set the date for the **Annual Chapter Meeting** at which the next year's chapter officers will be elected. **Must be before October 15th of each year.**

- Have the Secretary send notices to the membership of the **Annual Chapter Meeting**.
 - Receive the coming year's proposed slate of officers from the Nominating Committee.
 - Give a copy of the proposed slate to the chapter secretary for inclusion in the record.
 - Read the proposed slate weekly prior to the Annual Chapter Meeting.
 - You are the presumptive chapter delegate to the **Fall District House of Delegates Meeting**. If you cannot make the meeting, please designate an alternate and have his name read into the minutes of a Board meeting.
 - Share with membership the **Fall District House of Delegates Meeting** information.
 - **SECRETARY**
 - Send required notices to the membership of the Annual Chapter Meeting.
 - **Standard Chapter Bylaws requires notification at least two weeks prior to the meeting.**
 - If your chapter selects an Alternate Delegate to the **Fall District House of Delegates Meeting**:
 - Record the name of the alternate in the minutes of a Chapter Board Meeting.
 - Report that fact to the District Secretary
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OCTOBER

- **PRESIDENT**
 - Attend the Fall House of Delegates Meeting at the Fall Convention as your chapter's official delegate.
 - Must read the proposed slate of officers for the coming year at least once each week for two weeks ahead of the Annual Chapter Meeting and once at the Annual Chapter Meeting for a total of three readings.
 - Nominations from the floor must be received and announced at least one week prior to the Annual Chapter Meeting.
 - Preside over your chapter's Annual Chapter Meeting by October 15th.
 - Remind newly elected officers of the importance of attending the officer training at the January **District Leadership Academy**.
 - **SECRETARY**
 - Record minutes of the **Annual Chapter Meeting**.
 - **CRITICAL** – Report in the **CHAPTER LEADERS>Future Leaders** section of **eBiz** the elected slate of new officers. **If you don't report them in the Future Leader section, when the new year rolls around your officers will be left out of the communications loop and you will be unable to update anything in eBiz because your authority to edit that information expires when the computer thinks you are out of office, usually 12/31/20XX. At a minimum, report the new secretary, even if it is you.**
 - File any changes in the make-up of your Chapter Board with your Secretary of State, Incorporations Section (or equivalent agency), if required in your state.
 - Register incoming officers for **District Leadership Academy**.
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NOVEMBER

- **PRESIDENT**
 - Assist the new President in transition to office.
 - Attend Leadership Ranch officer training.

- **SECRETARY**
 - Assist the new Secretary in transition to office.
 - Attend Leadership Ranch officer training.
 - **TREASURER**
 - Assist the new Treasurer in transition to office.
 - Attend Leadership Ranch officer training.
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DECEMBER

- **PRESIDENT**
 - Verify with the Treasurer that the annual ASCAP filing and payment were made.
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OTHER THINGS YOU NEED TO KNOW

- **Chapter Insurance**

- **General Liability Insurance** – You will be billed early in the year for a liability policy that will protect your chapter in the event a patron is injured due to any negligent act by your chapter or its members.
 - Your membership is NOT COVERED by this policy.
 - A complete description of the policy is here: <http://barbershop.org/document-center/category/68-insurance-documents.html?download=22%3Achapter-district-general-liability-insurance>
 - When you do a show, many venues require proof of liability insurance and insist that they be named as an additional insured. To request a copy of the liability insurance certificate, go to <http://barbershop.org/document-center/category/68-insurance-documents.html?download=969%3Arequest-for-certificate-of-insurance-usa>, complete the form, and submit it to our insurance carrier. There may be an additional premium due for this.
 - Vendors – THIS IS NEW – When you have vendors at your show, it is imperative that they provide you with a copy of THEIR liability insurance certificate naming YOUR CHAPTER as an additional insured. Otherwise, you may be asked for an additional premium for your event to protect your chapter from a lawsuit arising from THEIR activities.
- **Accidental Medical Expense Insurance** – This coverage **protects members** and was new in January of 2013. The premium for this is included in your General Liability Insurance premium. So, now if a member steps off the back riser and breaks his neck, there is a policy to help cover that and protect the chapter from liability to a member. Complete details are here: <http://barbershop.org/document-center/category/68-insurance-documents.html?download=18%3Aaccidental-medical-expense-coverage>
- **Property Insurance** – Insurance is available for an extra cost to cover damage to chapter-owned property. See the complete information in the Document Center, here: <http://barbershop.org/document-center/category/68-insurance-documents.html?download=53%3Achapter-owned-property-insurance>
- **Fidelity Bond** –Your chapter is covered by a fidelity bond that protects you against a member absconding with chapter funds. There is a deductible.

- **Tax Exemption**

- Generally speaking, your chapter is exempt from paying sales taxes and federal, state, and local income taxes. **But becoming exempt may not be automatic.**
 - In Texas, for instance, all corporations must file a Franchise Tax return and pay the franchise tax UNLESS they have filed with the Comptroller a form claiming the exemption from the Franchise and Sales taxes. Failing to file without having first claimed the exemption will result in the Secretary of State revoking your corporate charter. **THIS IS THE NUMBER ONE REASON FOR TEXAS CHAPTERS CEASING TO EXIST.**
 - **Other** states almost certainly have different arrangements. You should check with your Secretary of State.
 - Your chapter still must file an IRS Form 990 (Income greater than \$50,000) or 990N E-Postcard (Income less than \$50,000) return with the Federal Government, located here: [http://www.irs.gov/Charities-&Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-\(e-Postcard\)](http://www.irs.gov/Charities-&Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-(e-Postcard))
- While your chapter is exempt from paying sales taxes (if you have claimed the exemption with your state's Comptroller), you are likely **NOT exempt from COLLECTING** sales tax on chapter sales. There are rules governing this. You should check with your state's Comptroller to determine if you must collect sales tax on CD sales, etc.

RESOURCES

If you allow yourself to think of the enormity of the scope of things you need to know, you will just throw up your hands and quit. So, let's put some of this in perspective. The great thing is that you don't have to learn all this stuff at once in order to do your job. What you really need to know is **WHERE TO GO** to find the information you need to do your job. Different things come up at different times of the year. If you forget everything else, remember this: there are resources available at your fingertips you can tap as needed to get you through the year. And here are a few of them. Just click the link.

ASCAP REPORTING FORM FOR 2014: <http://barbershop.org/document-center/category/71-show-clearance-and-legal-ascap-etc.html?download=1000%3Aascap-reporting-form-2014>

BMI SHOW CLEARANCE APPLICATION (Fillable): <http://www.barbershop.org/document-center/category/71-show-clearance-and-legal-ascap-etc.html?download=19%3Aapplication-for-show-clearance-bmi-and-sesac-license>

BARBERSHOP HARMONY SOCIETY WEBSITE: www.barbershop.org

BHS DOCUMENT SECTION: <http://www.barbershop.org/document-center.html>

- Rules and Regulations Handbook updated August 2012 (contains Standard Chapter Bylaws and a lot of other good stuff): <http://www.barbershop.org/document-center/category/46-policy-documents.html?download=77%3Arules-regulations-handbook>
- Chapter Secretary Manual: <http://www.barbershop.org/document-center/category/69-chapter-secretary-documents.html?download=40%3Achapter-secretary-manual-2011>
- Chapter Secretary Exhibits: <http://www.barbershop.org/document-center/category/69-chapter-secretary-documents.html?download=41%3Achapter-secretary-manual-exhibits-2011>
- Chapter Treasurer Manual: <http://www.barbershop.org/document-center/category/70-chapter-treasurer-and-expenses.html?download=44%3Achapter-treasurer-manual>
- Chapter Treasurer Exhibits: <http://www.barbershop.org/document-center/category/70-chapter-treasurer-and-expenses.html?download=43%3Achapter-treasurer-exhibits-manual>
- Sample Chapter Business Plan: <http://www.barbershop.org/document-center/category/4-general-chapter-business-documents.html?download=35%3Achapter-business-plan-sample>
- Chapter Management Guide: <http://www.barbershop.org/document-center/category/4-general-chapter-business-documents.html?download=38%3Achapter-management-guide-2004>
- AND MUCH MORE.....You should spend some time poking around in here.

EBIZ – The Society's Chapter Management and Reporting Section: <https://ebiz.barbershop.org/ebusiness>

- Things you can do in eBiz:
 - Download a chapter roster
 - Track membership dues lapses
 - Click their name and edit their personal information, like emails
 - Change your chapter dues structure
 - Report the filing of your IRS Form 990-N
 - Report the submission of your Annual Financial Review
 - Report that you verified your State Incorporation status
 - Enter your chapter in a contest – the official CJ20 Contest Entry System
 - Change your chapter's reported meeting time/date
 - Help a member pay his dues by credit card
 - There is much more you should discover by just trolling around in the website

YOUR DISTRICT'S WEBSITE: WWW.SWD.ORG

800-876-7464 – the Society’s toll-free phone number. The Society is staffed with knowledgeable people eager to be of assistance. When all else fails, call Society HQ.

- Key people (by phone or email – **they will respond to email**):
 - **Caki Watson**, Customer Service Manager – CWatson@barbershop.org – for questions about membership.
 - **Ashley Torroll**, Administrative/Finance Assistant – financialfilings@barbershop.org – for questions about financial reporting requirements, to report a possible claim against our liability insurance policy, to report a possible claim against our Fidelity Bond.
 - **Eddie Holt**, Webmaster – eholt@barbershop.org – for issues with eBiz like obtaining a log-in.
 - **Janis Bane**, Copyright/Music Librarian – Library@barbershop.org – for questions about copyright issues, producing/publishing learning tracks, online sheet music and learning track distribution, securing recording rights, permissions to arrange, etc.

There is much more available to you if you will only poke around in the various websites. We really do want you to have all the resources you need to be comfortable in taking on the responsibility of being a chapter officer. You are the business managers and we’re all counting on you. So, a big **THANKS** for stepping up to this service.

Now, go sing something!

Gary Hannah ChFC

SECRETARY@SWD.ORG for comments or suggestions

REV 5/12/2014

REV 04/22/2014

REV 10/18/2013

REV 01/14/2013

REV 10/01/2012

REV 11/09/2011

ORIG 10/01/2011