

Official Regulations and Rules

Of the

NORTH CAROLINA ASSOCIATION OF ELECTRICAL CONTRACTORS, INC.

Articles 1 through 12 reserved for future purposes.

RULE 13: OFFICIAL DIVISIONS

1. The North Carolina Association of Electrical Contractors, Inc. (hereinafter “NCAEC” or the “Association”)’s Board of Directors is responsible for recognizing and establishing Official Divisions of the Association. Official Divisions act as branches of the State office for federal tax purposes.
2. In order to be eligible as an Official Division, a group or organization shall:
 - a. Provide the identities of and contact information for the Division’s Officers and Division Director to the Association’s Executive Director or, in the event the Executive Director position is vacant, the Chairman of the Board;
 - i. Divisions shall report all changes to the Division’s Officers and Division Director, including the identity of and contact information for all replacements, alternatives, or successors, in accordance with Paragraph 2.a. above.
 - b. Provide all Division financial information including bank statements on a minimum of once a quarter;
 - c. Provide Division meeting minutes and dates of scheduled meetings monthly;
 - d. Establish the name of the Division as “North Carolina Association of Electrical Contractors [geographic region] Division” (e.g., “North Carolina Association of Electrical Contractors Forsyth Division”);
 - e. Incorporate the Association’s Bylaws into its own bylaws, replacing the name of NCAEC with the Division’s name pursuant to Section 2.d of this Rule, and deliver a copy to the Association’s office via registered mail;
 - f. Have a minimum of at least 60% of Division members submit annual dues to the Association;
3. Official Divisions shall continue to meet all criteria outlined above in Section 2 of this Rule. Any Official Division failing to comply with the bylaws or any regulation or rule set forth herein may be revoked by the Association’s Board of Directors in accordance with Article XIII, Paragraph 5 of the Association’s Bylaws.
 - a. Upon revocation, the Division shall not use, associate with, or otherwise operate under the Association’s moniker.
4. Activities of a Division shall be reported to the NCAEC, especially as these activities relate to unrelated business taxable income (“UBTI”) purposes, so that the NCAEC may determine whether a specific activity, prior to its occurrence, is out of character with the NCAEC’s exempt purposes. The

NCAEC's tax-exempt status could be revoked if a Division's activity(ies) are out of character with the Association's exempt purposes pursuant to IRS non-profit 501(c)(6) guidelines.

5. Finances

- a. An NCAEC Division with gross receipts of at least \$25,000.00 may incur penalties of \$100.00 per day for failure to file income statement. Financial Statements on the form provided by the NCAEC's CPA **shall be submitted** to the NCAEC office on a monthly basis, along with a copy of the Division's monthly bank statement.
- b. NCAEC Dues Worksheet will be for State dues. Local Divisions are responsible for collection of local dues.

6. Members

- a. Each contractor member of the Division shall hold an electrical license issued by NCBEEC.

7. Division Directors

- a. The Division Director should be a team player who works for the betterment of the Association and its membership. He/she should be tactful and be an administrator who can oversee the operations and directions for the Recognized Division.
- b. The Division Director shall be responsible for appointing representatives to serve on appropriate NCAEC committees.
- c. The Division Director shall report to the NCAEC members of the Director's local division the activities of NCAEC as reported at the quarterly NCAEC Board of Directors meetings.
- d. The Division Director shall report to the NCAEC members of the Director's local division the financial report of NCAEC as reported at the quarterly NCAEC Board of Directors meetings. Non-NCAEC members of the Director's local division are not privy to this information.

8. Officers

- a. Division officers holding the position of "President" or "Vice President" must hold or be listed as a qualifier on a North Carolina Board of Examiners of Electrical Contractors (NCBEEC) issued electrical license.
- b. Division Treasurer
 - i. A Division's Treasurer is responsible for the Division's financial condition. As Chairman of the Budget and Finance Committee, he/she shall be responsible for the operations of this to insure that its goals are being realized.
 - ii. Because a Division's Treasurer will bear ultimate responsibility for the collection and disbursement of members' dues and other Division funds, this person should be both knowledgeable as to sound accounting procedures and responsible for the maintenance of financial records and providing reports of the same.
 - iii. A Division's Treasurer shall collect all local dues. If state dues are to be paid to the local division, the Division Treasurer will send these dues, along with a copy of the membership application, to the State Office.

- iv. A Division's Treasurer shall provide the state office with a monthly financial summary form for the local division. Copies of the monthly bank statement shall be sent to the State Office along with the financial summary form.
- v. A Division's Treasurer shall provide a year-end financial statement to the State Office for submission with NCAEC's IRS form 990.
- vi. A Division's Treasurer shall maintain copies of the membership applications for the Division records and forward all original membership applications to the NCAEC office.

9. Division Meetings

- a. A Division shall hold a minimum of four (4) monthly meetings within the calendar year.
- b. Minutes of all Division meetings shall be submitted to the NCAEC office on a monthly basis.

10. Division promotional material shall incorporate the up-to-date NCAEC logo.

Approved by the Board of Directors

[date]

Bylaws Reference: Article XIII