

Stony Brook Camera Club
Proposal to incorporate and purchase insurance – January, 2012

Background:

Stony Brook Camera Club has successfully functioned as an unincorporated group for over four decades, offering numerous activities, volunteer programs and services to fellow members and the community. We have been very fortunate over the years that nothing serious has happened to place the Club in a defensive position. The incorporation of SBCC as a Non Profit Corporation will establish our club as a recognized corporate entity in the Commonwealth of Massachusetts and provide a level of protection for our officers, members and their assets should we find ourselves involved in a law suit.

Proposal:

- Incorporate Stony Brook Camera Club as a non-profit organization
- Purchase insurance to protect the club officers and members from potential liability

Benefits:

- Club officers and members will be better protected from liability that may stem from an accident or any other legal wrong doing taking place at a club meeting, field trip or function.
- The Stony Brook Camera Club name would be reserved and registered for our organization, preventing others from using the club name for another organization in Massachusetts.

Cost:

- One time: \$400 to apply for non-profit status with the IRS and \$35 to register with the Commonwealth of Massachusetts
- Approximately \$1,100 per year for insurance
- Annual filing fees of approximately \$15 per year to the Commonwealth of Massachusetts

Insurance:

A Liability Insurance Policy would not only protect the Club and its members, but if an accident occurred that placed the club in a liability position, this Policy would also provide defensive costs. The Policy we have looked at would cover the Club up to a \$2,000,000 limit (\$1,000,000 per occurrence). The cost for this Policy (with a \$250 deductible) would be approximately \$1,000. An honesty bond for the checkbook is also recommended, with an estimated cost of \$100. These costs are included in the summary above. The club membership includes an insurance professional who will assist us in purchasing the most appropriate policy for us.

Process:

To become a Non Profit Corporation in Massachusetts, we must first draft and approve Articles of Organization to file at the Secretary of State's Office accompanied with a \$35 filing fee. Our by-laws may need to be modified for consistency with the Articles of Incorporation. We should apply for tax exempt status with the IRS at a one-time cost of \$400. These costs are included in the summary above. Thereafter, an annual non-profit tax-exempt return (Form 990) and annual report to the Commonwealth of Massachusetts must be filed. The club has professional expertise among its members (accountants and attorney) who will administer the filings at no additional cost to the club. If at any time we wish to go back to being unincorporated, this may be done by filing a Petition of Dissolution with the Commonwealth of Massachusetts.