**Parline Jue & Debbie Fisk**
**Stop**

The discussion was open to the Presidents to speak on the following.

The discussion focused primarily on **banking, incorporation, financial oversight, and protecting chapters/federations from legal and administrative problems**.

- **Review bank accounts:** Chapters should examine how old their accounts are, who has access, whether current officers are authorized signers, and whether those people can physically access the bank. Outdated accounts and signatures can create serious problems when officers leave, move, or die.
- **State registration requirements vary:** Each state has different rules regarding incorporation and registration. Some states require organizations to register with the Secretary of State, while others may not. Chapters and federations should research their state's requirements and work with headquarters/RVPs.
- **Incorporation matters:** Operating as an unincorporated organization may expose individual board members to personal liability and can create problems when opening bank accounts or holding organizational assets. One federation discovered this only after its bank closed an old account and refused to open a replacement without state registration.
- **Use consistent legal names:** Organizations should ensure that the name used with the IRS/EIN, bank, insurance company, bylaws, and headquarters is consistent. Using different versions of the organization's name can create problems with banking, taxes, or insurance claims.
- **EIN issues:** Changes to incorporation or organizational status can create complications with EINs and IRS records. One federation experienced a lengthy process to merge an old and new EIN and preserve its tax-exempt status.
- **Insurance:** General liability insurance does not necessarily protect directors and officers against errors, omissions, or personal liability. D&O/E&O coverage is separate and can be expensive, so each organization must determine its needs and budget.
- **Tax oversight:** Presidents and boards should not simply assume that the treasurer is solely responsible for the organization's finances. Boards should review tax returns before submission and document that review in the minutes.
- **Protect against concentrated leadership:** Chapters should avoid having only two officers from the same household. If those individuals become unavailable, the chapter can effectively be left without leadership. Chapters should recruit and train additional qualified officers before vacancies occur.
- **Protect organizational assets:** Long-serving treasurers and outdated financial arrangements can create risks, particularly if records, account information, or access are not maintained. Succession planning and current documentation are important.
- **Headquarters support:** The overall message was **not to panic**, but to investigate each state's requirements and work with headquarters, RVPs, and experienced

federation leaders. Headquarters is expected to provide additional guidance regarding incorporation and related requirements.

**Other issues raised**

The discussion also briefly moved to **NARFE voting procedures and proposed resolutions**, including concerns about whether the current paper/electronic ballot process complies with the bylaws and questions about a proposed change concerning how far in advance annual meeting dates and locations must be announced.

**Overall takeaway:**

The session emphasized **due diligence and organizational protection**: verify legal status, banking arrangements, EINs, names, insurance, tax procedures, authorized officers, and succession plans. The goal is to identify problems **before** a bank closure, officer departure, death, or other event exposes them.