Organizing a Hunting Club

Introduction- Forming a club is one of the best ways to be assured of good hunting. Hunting clubs offer their members advantages that are often not available to an individual hunter. The most obvious being the ability to pool financial resources so the club can lease hunting land. Other advantages include fellowship, an increased sense of safety while hunting, and opportunities to actively manage wildlife resources.

The long-term success of a hunting club depends on its organization. Written procedures and rules will help ensure harmony among the club's membership and ensure efficient club operation. Everything should be firmed up from the start so there's no arguing or second guessing about how the club will be run.

Written Procedures and Rules - Articles of Association or Certificate of Formation are written procedures for club governance. All written procedures and rules adopted are required to be followed in accordance with the landowner's contract and policies. They define the powers, duties, and responsibilities of the board of directors and club officers, and their election and term of office. They define who will exercise management authority. For example, your club may opt to put all club decisions to a majority vote of the membership, or you may decide to vest the club's management in a board of directors. They also address how new members are selected and how members may be removed from the club.

Bylaws are club rules and policies. Bylaws are resolutions adopted by either club's board of director or the club's membership. The purpose of Bylaws is to guide the behavior of club members by clearly identifying what is expected of club members as well as identifying what is not allowed.

An example of written procedures for club governance (Articles of Association) and club rules (Bylaws) are included to assist you in organizing your club. The example Articles of Association were written for a large hunting club, but the provisions contained in the example provided will benefit any club regardless of size.

You are not required to use the example Articles of Association or Bylaws included in this publication. They are provided solely as an aid to your club in developing written procedures and rules for your club. However, we do expect clubs to have and follow written procedures and rules that provide for:

- Club Management
- Elections and Terms of Office for Directors & Officers
- Financial Transparency
- Member Selection & Removal
- Dispute Resolution
- Standards for Club Member Conduct
- Whistleblower Policy

Club Management - The general objective of the association is to promote and foster a general and continued movement for conservation of wildlife and natural resources; to promote sportsmanlike methods of hunting, fishing, trapping, and outdoor living with proper respect to land-owners and the property of others.

Elections and Terms of Office for Directors & Officers - The Board of Directors shall have the power to Control the affairs, funds, property, and all other rights and privileges of the association and its members according to the by-laws as drawn.

- Board Members shall be nominated and elected by the members present and by written proxy at the annual association meeting.
- The Association's members nominated and elected must be in good standing in the association.
- Elected members of the Board of Directors or officers cannot be family or related.
- The number of board members and how long a board member can serve will be set at the annual association meeting.

Financial Transparency - A financial statement will be provided at each annual association meeting and at any time requested.

Member Selection & Removal - Select association members from qualified applicants. The Board of Directors reserves the right to suspend and/or remove members who violate the Association's By-laws

Dispute Resolution - TTG Forestry Services (TTG) expects associations to handle their own internal disputes. If clubs are unable to resolve disputes and turn to TTG for assistance, please understand we will resolve the problem and the outcome may very well be unsatisfactory to the disputing factions.

TTG will request a copy of the association's written procedures and rules. If none are provided or the association is not following them, TTG will assume the association lacks institutional control and very well may terminate the lease agreement.

Standards for Club Member Conduct - Develop a Code of Conduct for the members of the Association that show respect to fellow members, hunters, non-hunters, and landowners.

Whistleblower Policy- A Whistleblower Policy is an association's bylaw which protects members who in good faith report violations or suspected violations of laws and the association's member is protected from retaliation.Whistleblower Policy is mandatory for all nonprofit organizations (Sarbanes Oxley Act of 2002).

Organizational Meeting - The organizers of a hunting association should hold a meeting of the initial board of directors. At the initial meeting or subsequent board meetings, the following actions should be taken:

- Decide if the association will be a Nonprofit Corporation or Unincorporated Association
- Authorize filing of Certificate of Formation if Incorporating
- Adopt organizing document for club governance (Certificate of Formation or Articles of Association)
- Adopt Bylaws (Policies & Rules Document)
- Select Registered Agent (Club Contact) & location of the principal office.
- Authorize filing for an employer identification number (EIN)

- Authorize filing for tax exempt status.
- Authorize check signers.
- Select a bank & authorize the opening of an account.
- Authorize payment or reimbursement of incorporation and filing expenses.

Nonprofit Corporation vs. an Unincorporated Association- A hunting club is recognized as a legal entity under Texas law as either an Unincorporated Association or a Nonprofit Corporation.

An Unincorporated Association is an organization consisting of three or more members joined by mutual consent for a common purpose. The advantages of being an Unincorporated Association are there are fewer legal requirements, and they are easy to set up.

Nonprofit Corporation is a corporation where no part of the corporation's income is distributable to members, directors, or officers. A Nonprofit Corporation is a legal entity created by filing a Certificate of Formation with the Texas Secretary of State in accordance with the Texas Business Organizations Code. One of the primary benefits of forming a nonprofit corporation is that the corporation's members and directors are generally shielded from personal liability.

Incorporation- While TTG does not require hunting clubs to incorporate; we believe that most hunting clubs would benefit from incorporation. The Texas Business Organizations Code generally shields a nonprofit's corporation's members and directors from personal liability. Additionally, it provides hunting clubs member's legal protection from mismanagement by officers or directors. In most cases your club would benefit from legal counsel should you choose to incorporate.

Filing for Tax Exemption- Nonprofit organizations with an expected annual gross receipt of $5,000 or more are required to apply for tax exemption determination with the IRS (IRS Form 1024) within 27 months of its formation date. The IRS classifies non- profit organizations into several categories. You are probably familiar with 501(c)(3) charitable and religious organizations. Most hunting clubs are eligible for tax exempt status as a 501(c) (7) organization. While hunting lease dues are not tax deductible, most hunting club receipts are exempt from income tax.

Insurance- TTG provides hunting clubs with a group policy that provides liability protection for occurrences arising out of activities and operations of the hunting club, and its members, guests, agents, or employees:

- Member-to-Member Coverage
- Guest Liability Coverage
- Fire Damage Liability
- Defense costs outside policy limits
- No policy exclusions for liability from tree stands, ATVs, and UTVs.
- $1,000,000 per occurrence limit
- $2,000,000 aggregate

In addition to liability insurance, hunting clubs may want to consider purchasing property insurance, workmen compensation insurance, and director & officer insurance.

If your club has a camp house or owns farm equipment you should consider purchasing property insurance. Property insurance provides financial reimbursement for damage or loss to club buildings and property. Property insurance typically covers damage caused by fire, storm damage, and theft.

If your club has employees, then you should consider purchasing workmen's compensation insurance and director & officer insurance. Nonprofit organizations are facing an ever-increasing liability from employee lawsuits. These lawsuits can involve work-related injury or illness, sexual harassment claims, discrimination, and wrongful termination claims. These claims can be expensive to resolve. Hunting clubs are especially at risk because they often hire non-traditional employees who are older or fall into protected categories such as those with disabilities. When terminating the employment of such employees there is substantial risk of a lawsuit.

Workmen's compensation insurance provides employees with income and medical benefits if they are injured on the job or have a work-related injury or illness. Except in cases of gross negligence, workers' compensation insurance limits an employer's liability if an employee brings suit against the employer for damages.

Directors & Officers insurance with employment practices liability provides financial protection for club directors and officers in the event they are sued in conjunction with the performance of their duties as they relate to the hunting club. The policy also provides coverage for club members and the hunting club if entity coverage is included.

Glossary of Terms

Articles of Association - The Articles of Association is the principle documents that provides for the legal existence of an Unincorporated Association. It is the document that provides for club governance.

Bylaws - In the simplest terms bylaws are club rules and policies. Bylaws are subordinate to the Articles of Association or Certificate of Formation. Bylaws are a set of resolutions that the board of directors or membership adopts to govern club operations. Some examples of hunting club rules include bylaws that limit the number or location of deer stands a hunter may have or bylaws that limit the harvest of young bucks.Common examples of hunting club policies incorporated in club bylaws might include a member code of conduct and a whistleblower policy is mandatory for all nonprofit organizations (Sarbanes Oxley Act of 2002).

Certificate of Formation - The Certificate of Formation is legal document filed with the Texas Secretary of State's office. It provides for the legal existence and governance of a Nonprofit Corporation

Club Contact - The club contact is the club's official representative. The club contact is the person designated to communicate with TTG.

Employer identification number (EIN) - An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number and is used to identify a business entity. The hunting club will need an EIN to open a bank account and file tax returns.

Nonprofit Corporation: A nonprofit corporation is a legal entity created by filing a certificate of formation with the Texas Secretary of State in accordance with the Texas Business Organizations Code, Chapter 22 Nonprofit Corporations. Nonprofit Corporation is a corporation where no part of the corporation's income is distributable to a member, director, or officer of the corporation.

Resident Agent (Club Contact) - The resident agent is the club's official representative or club contact. The resident agent is the person designated to communicate with the landowner(s) the club lease's land from and is the person who receives all notifications on behalf of the club.

Unincorporated Nonprofit Association - An unincorporated nonprofit association is an organization consisting of three or more members joined by mutual consent for a common, nonprofit purpose. All unincorporated nonprofit associations are subject to the provisions of the Texas Uniform Unincorporated Nonprofit Association Act, Section 252 of the Texas Business Organizations Code.