

Operational and Financial Guidelines for Chapters

"Contemplative Outreach is an evolving community with an expanding vision and deepening practice of Centering Prayer that serves the changing needs of Christian contemplatives."

Contemplative Outreach, as a community, is a living organism that is interactive, interconnected, interdependent, and dynamic. It aspires to function without a hierarchical structure and is designed to share Centering Prayer and its contemplative vision as widely as possible.

- Guideline #1, *The Vision of Contemplative Outreach*. Thomas Keating, 2017.

If you are establishing a new Chapter, or reviewing the functioning of an existing Chapter, here is an overview of Chapter operations.

A Chapter is an unincorporated, non-profit volunteer association of individuals. Unincorporated means the Chapter is not a legal business entity under state law, such as a corporation or limited partnership. Non-profit means the Chapter is not run for personal profit. Chapters are NOT non-profit public charities with 501(c)3 tax exempt status under federal law. When creating a new Chapter, no filing is required with your state Secretary of State to create a business entity, and no annual filing is required with your state Secretary of State for existing Chapters. Generally, Chapters generate little income so there is usually no need to file any returns with the Internal Revenue Service or pay federal tax. If the Chapter sells books and other educational material, then the Chapter should investigate the requirements of local and state governments for the payment of any state sales tax.

The Chapter should seek the advice of local accounting, tax and other professionals as needed. If the Chapter operations become more sophisticated, the operational and financial requirements may need to change as well.

Contemplative Outreach Chapters: A Contemplative Outreach chapter is a contemplative community initially formed by a small group of people interested in sharing Centering Prayer. Once three or more Centering Prayer groups are established in an area, volunteers are encouraged to work together to form a chapter with a coordinating team and a designated coordinator. Each chapter operates according to the Contemplative Outreach Vision, Theological Principles, and Guidelines for Contemplative Outreach Service.

Chapter Support Services: The purpose of Contemplative Outreach is to provide programs and resources for on-going support, not only for Centering Prayer, but for the structure of the organism, which holds the commitment to continue to share Centering Prayer. The Chapter Support service team is available to: **Mentor** Coordinators, Contact Persons and Centering Prayer practitioners. **Assist** in forming new Chapters with a coordinating team in a collaborative model. **Provide** information and resources to support the growth and development of its' members residing in the United States and in our English-speaking countries.

International support is also available. For more information, contact Marie Howard, Coordinator of Volunteers at MRHfamlife@aol.com and/or visit the Community section, Volunteer Resources of our COL website.

Financial operations should be transparent to everyone in the Chapter, and some simple mechanism should be created to establish local accountability for the use of funds. There is no requirement for annual financial reporting to Contemplative Outreach, Ltd.

Some Chapters operate on a cash basis without opening a local checking account. Other Chapters open a noninterest-bearing checking account and have a team to manage finances, including decisions as to who can sign checks. See the section below for further information. There are often changes of leadership in a volunteer association. Such fluidity can be challenging to the Chapter and the bank if the persons who are authorized to sign checks constantly changes, so a longer-term commitment is recommended for persons who fill this role.

The Chapter's focus is on sharing the prayer, and not on generating income. Chapters often offer their programs on a cost basis. For example, the cost

of putting on a retreat is divided by the number of people attending. However, a Chapter may experience income from many different sources:

Donations from “passing the basket” at prayer group meetings and other events.

Donations from churches or other individuals who wish to support the work of Contemplative Outreach.

Fees from workshops or retreats.

Profits from the sale of books and video materials.

If the Chapter wants to create a reserve funds to facilitate operations, it is recommended that no more than \$5,000 be kept in a noninterest-bearing checking account for this purpose. Funds in excess of this amount should be used to support further development of the Chapter, such as:

- financial assistance for training presenters and facilitators,
- offering scholarships to retreats and other programs, including on-line programs,
- purchasing materials to share our contemplative vision,
- establishing or maintaining a local website, and
- contributing money to Contemplative Outreach, Ltd. for a designated purpose, such as Chapter support.

Banks may recommend a Chapter open an interest-bearing savings account at the same time the Chapter opens their noninterest-bearing checking account. It is not recommended for a Chapter to open an interest-bearing savings account. The interest earned on a savings account may require the bank to issue an IRS Form 1099 (Miscellaneous Income) at the end of the year to the Chapter. Contact Kathleen Gilgannon, Kathleen@coutreach.org, for more information or assistance prior to opening an account. If the Chapter happens to receive any documents from the IRS, contact Kathleen and do not respond directly to the IRS.

A Chapter should avoid indebtedness and should not own real estate in order to remain flexible in maintaining its resources to the primary purpose of Contemplative Outreach – sharing the gift of Centering Prayer. Please

discuss any exceptions with the Contemplative Outreach, Ltd., Coordinator of Volunteers.

CHAPTER CHECKING ACCOUNTS

Information for Chapters with existing checking account and new leadership

If your Chapter has an established bank checking account and has recently selected a new Coordinator, Co-Coordinators, or Contact Person, it is not necessary to close the existing account. The person(s) whose name(s) appear on the existing account simply need to accompany the person(s) whose name(s) will now be responsible for the account to sign new signature cards at your financial institution.

Information to set up a new Chapter checking account

Complete the following steps:

To open a checking account, the Chapter will need a federal Employer Identification Number. The financial institution and the IRS use this EIN to track all activity in the banking system. This number identifies the Chapter the same way a Social Security Number is used to identify a person. No one should use their individual Social Security Number to open a Chapter checking account. Nor should any Chapter use the EIN of the national organization -- Contemplative Outreach, Ltd.

Although the banker may offer to help you obtain an EIN, this courtesy has resulted in problems for Chapters because the banker does not understand the unincorporated Chapter structure and the IRS Form SS-4 is sometimes improperly completed.

To avoid confusion, if a Chapter is switching banks or opening a new account and doesn't have an EIN currently, the Chapter should contact our COL Bookkeeper, Kathleen Gilgannon at Kathleen@coutreach.org for assistance in obtaining an EIN number from the IRS. Kathleen can complete the Form SS-4, "*Application for Employer Identification Number*" on-line, and provide the Chapter with the EIN to present to the financial institution.

Banking policies vary from institution to institution, and from state to state.

Your account name may need to be Contemplative Outreach of _____ . Do not use the name Contemplative Outreach, Ltd.

Checking accounts should have two signatures which gives each person the authority to sign checks on behalf of the Chapter. Some banks may require a minimum balance in the account to avoid a monthly service charge. A local credit union might be another option for a financial institution.

If additional information is required, contact Kathleen Gilgannon at Kathleen@coutreach.org or Marie Howard at MRHfamlife@aol.com, the Coordinator of Volunteers.

CHAPTER INCORPORATION

Generally, it is not recommended that a Chapter incorporate as a non-profit corporation in your state unless the Chapter has well-established, stable leadership and funding sources, seeks to hire an employee(s), and/or has an annual operating budget that exceeds \$50,000. The only reason a Chapter would incorporate as a non-profit entity in your state is to apply to the IRS for federal 501(c)3 tax-exempt status as a public charity. This tax-exempt status allows the incorporated Chapter to receive tax-deductible donations. If the Chapter has an employee or if it intends to hire one, the Chapter should first incorporate as a non-profit corporation in the state in which it operates, then apply for a tax-exempt ruling from the IRS for a 501(c)3 designation. Newly formed 501(c)3 organizations may not use the name Contemplative Outreach, Ltd. or use the Contemplative Outreach, Ltd. logo, in order to prevent confusion for donors.

If you wish to investigate forming a non-profit corporation and applying for 501(c)3 tax-exempt status, please contact Kathleen Gilgannon at Kathleen@coutreach.org.

INCOME SHARING - GIVING TO CONTEMPLATIVE OUTREACH, LTD

For any Chapter event that charges a fee to participants, a financial sharing of at least ten percent of the gross proceeds (receipts before expenses) is suggested to be sent to Contemplative Outreach, Ltd. This sharing is an important responsibility of Chapters to the international contemplative community in supporting the Vision of Contemplative Outreach, Ltd. FOR

MORE INFORMATION, refer to the Guidelines for Hosting Contemplative Outreach Events, on the COL website.

TAX EXEMPT CONTRIBUTIONS

Any Chapter may receive contributions from a donor, but such contributions are NOT tax deductible to the donor under federal law.

If a donor wishes to make a tax-deductible contribution to support the work of the Chapter, please contact the International office of Contemplative Outreach, Ltd. If the donor is seeking a tax deduction for the gift, then the donor must receive a “Donee Acknowledge Letter” from Contemplative Outreach, Ltd., to substantiate the donation of any amount of \$250 or more.

LIABILITY INSURANCE

A Chapter is covered by the Contemplative Outreach, Ltd., liability insurance as long as the Chapter is not incorporated or does not hold a separate 501(c)3 tax exempt status. The coverage is limited to activities related to Contemplative Outreach, Ltd., only.

Contemplative Outreach, Ltd., carries liability insurance that covers volunteers only when they are in service of Contemplative Outreach, Ltd. This coverage allows Chapters to obtain a Certificate of Insurance when using a facility such as a retreat center, parish or church meeting rooms, etc. The appropriate documentation can be obtained from the International office of Contemplative Outreach, Ltd.

To request a Certificate of Insurance, use the Certificate of Insurance form on the COL website under Volunteer Resources. Allow two weeks before any event in order to process the necessary paperwork and send out the certificate to the facility.

The following information is needed by the International office:

- Name, mailing address, email address, telephone and fax numbers of the facility being used for the event.
- Contact person, phone number (cell phone if possible) and email address at the facility.

Type of workshop/retreat being held at the facility; for example, Centering Prayer Introductory Workshop, COL Intensive Retreat, Living Flame Program.

Date(s) and hours of use of the facility.

Coordinator's name, mailing address, email address, telephone number (cell phone if possible).

Name of person from the local Chapter making request (if not the Coordinator), mailing address, email address, telephone number (cell phone if possible).

PROPER USE OF COPYRIGHTS AND COPYRIGHTED MATERIALS

All programs and resource materials produced by Contemplative Outreach, Ltd. (COL), are considered copyrighted by COL, and copyright protections on these materials need to be maintained. An example would be the DVD's and Reflection Booklets produced over the years, as well as introductory programs and formation programs.

However, it is the policy of COL that these programs and resource materials, including administrative materials, should be accessible, affordable and available, and can be used without further permission from COL by Chapters, associated organizations like ECI, and individuals who are working with COL to share the prayer and the contemplative dimension of the Gospel consistent with Fr. Thomas Keating's teachings.

In considering such blanket approval for the use of these materials, COL anticipates that individuals, groups and organizations will use the materials appropriately, and in good faith, consistent with the general spirit of their historical use, and will not substantially change the materials so as to distort the teachings of Fr. Thomas.

Contemplative Outreach, Ltd., does not waive its right, including its rights under copyright laws, to enjoin any infringement upon any of the property rights belonging to COL, especially where such use diminishes Fr. Thomas's legacy or negatively impacts his Publicity Rights and Life Works, or seeks to capitalize unduly from Fr. Thomas's life, reputation or legacy.

When a permitted use includes a translation of material owned by COL, then the translation will also be owned by COL. The translation will be accurate to the best of the translator's ability and will be used appropriately, and in good faith, consistent with the general spirit of the underlying work, and will not substantially change the meaning of the underlying work so as to distort the teachings of Fr. Thomas. Further, COL does not waive its right, including its rights under copyright laws, to enjoin any infringement upon any of the property rights belonging to COL, especially where such translation diminishes Fr. Thomas's legacy or negatively impacts his Publicity Rights and Life Works, or seeks to capitalize unduly from Fr. Thomas's life, reputation or legacy.

SCHOLARSHIP GUIDELINES

Contemplative Outreach offers matching scholarship funds made possible by the generosity of donors. The intention of these funds is to encourage attendance at Contemplative Outreach retreats, formation programs, spiritual enrichment programs and the International Conference. Such environments provide an experience for deepening relationship with God, which is at the heart of Centering Prayer. It is our wish that no one would ever be prevented from attending due to a lack of funds. The scholarship funds are made available in order to help those who would otherwise not be financially able to attend.

There are two different types of scholarships offered and two different processes for applying.

Online course scholarships are offered for both live and on-demand courses. The application for these scholarships is completed online www.contemplativeoutreach.org by the individual wishing to participate.

In-person retreat, program and conference scholarships should be submitted prior to the event and will be awarded after attendance has been confirmed. These applications should come from the sponsoring chapter or retreat house to Contemplative Outreach, Ltd. (rather than directly from the person who will receive the scholarship). Scholarship application forms are available from office@coutreach.org. Contemplative Outreach will match a scholarship amount awarded by a local sponsoring chapter or retreat house. For example, if the request is for a \$300

scholarship, the scholarship from the Contemplative Outreach Scholarship Fund would match the chapter's or the retreat house's; thus, each would provide \$150. Special circumstances will be considered.

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