

# **How to Establish and Maintain a Local Biomedical Organization**

**A GUIDE FOR ESTABLISHING  
A LOCAL BIOMEDICAL ORGANIZATION**

**INTRODUCTION**

This book is the first product developed under the auspices of AAMI's Biomedical and Technical Services Committee. Established in 1998, the committee's mission is to identify and develop products beneficial to the biomedical and technical services community. The book was updated in 2004 by AAMI's Technology Management Council (TMC).

This guide is intended to be a living document. Over time, AAMI plans to enhance this publication through examples sent to us by existing biomedical organizations. *Our goal is to have the most complete collection of what a vital organization needs to develop, sustain, and promote itself.* As our thanks to those who participated, contributions will be acknowledged in this introduction.

The groundwork for this project was first laid in 1994 by Les Atles, CBET, of the California Medical Instrumentation Association. We would like to thank him for providing the basic foundation for this guide. And to the Biomedical and Technical Services Committee, which built upon Les' contribution. We extend our appreciation for their perseverance and hard work in reviewing and editing the publication:

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# **A GUIDE FOR ESTABLISHING A LOCAL BIOMEDICAL ORGANIZATION**

The process of establishing a local biomedical organization, whether it be city/state/regional, begins by communicating with local members of the biomedical and technical services community to determine their level of interest, needs, expectations, and demand for an organization. Once interest and commitment are verified, a series of activities must take place.

The following outlines a suggested path for establishing a new organization. The sequence and timing of activities will vary and many activities can be performed simultaneously or may not be performed at all. *This is only a guide*; feel free to deviate if that works better for you.

All official documentation generated during the organizational process should be copied. The originals should be maintained together and in a safe place so succeeding leaders will have a permanent record of the formation of the organization, as well as the intent of the founders.

## **1. FORM A WORKING GROUP/STEERING COMMITTEE**

Identify a few people with similar interests in forming a local biomedical organization who are sufficiently committed to laying out the groundwork. About five to six individuals would be a good start. The purpose of this group is to direct the effort by first agreeing that there is sufficient need for the organization to warrant a survey of a broader sample of the biomedical community. This should be the primary objective of this working group. Roles and responsibilities for conducting the survey should be assigned and a date agreed upon for the next meeting. About a month is reasonable in order not to lose momentum. The group should consider surveying a large cross section of vendors, third-party organizations, in-house personnel, students, and retired individuals.

As interest in a biomedical organization builds, the informal working group most likely will expand into a more formalized steering committee with an acknowledged chairperson. The steering committee may include more people, possibly eight to 10. It may be beneficial to add individuals who represent different types of employers or who are influential within the technical services community, thereby increasing the potential to attract more members down the road. The main criteria for selection to the steering committee, however, should be commitment to the cause and willingness to work. Establishment of the organization could take two to three years before it is running smoothly, so it is critical that the key players be hard workers who are united in their purpose. The working group may also consider teaming up with AAMI, AAMI's Technology Management Council, or a nearby regional organization.

## **2. DETERMINE INTEREST LEVEL**

a) Determine the geographic area the organization would serve. This should be based on various considerations:

- Proximity of other local organizations. A listing of biomedical organizations is available under "Resources" on AAMI's Web site ([www.aami.org](http://www.aami.org)).
- A reasonable distance for members to travel to attend meetings.
- The estimated number of biomedical and technical service professionals in the area.

b) Select the type of survey you plan to conduct—e-mail or mail (written) or phone (script required). Cost and time considerations should be taken into account in making this decision. For example, a phone survey would require more time on the part of the working group, but it also could yield better results. Phone surveys would provide the group with the opportunity to probe the respondents about the reasons for their answers, plus greater potential to gauge the level of interest. A written survey is more impersonal, may not be opened or responded to, and requires out-of-pocket costs for stamps and stationery. These factors could be avoided with a phone survey, depending on the extent of the survey area.

c) Identify the target audience to receive the survey. Traditionally, good sources include hospitals, independent service organizations (ISO), medical equipment manufacturers, and colleges. In addition, you truly want to refer to the Registry of Active Certified Biomedical Equipment Technicians and Clinical Engineers, published by the International Certification Commission (ICC). Another source would be the online AAMI Membership Directory available to all AAMI members. While the working group may know some individuals, it would not know all, so it is important that group members solicit names of additional biomedical and technical service providers when conducting the survey. Also, the group should be diverse in employment setting, age, and experience, in order to provide a broad enough base to gauge true interest, in addition to sustaining the organization over the long-term.

d) Develop a questionnaire to assess the level of interest and potential participation in the organization. The questionnaire should be designed to collect the following information:

- Would you join if a local biomedical organization were formed?
- Would you be willing to pay dues? What annual level do you feel is reasonable?
- What would you like the organization to do?
- What topics are of interest to you, i.e. what is your greatest professional need, both personally and at your work setting?
- Would you be interested in serving on a committee? Being a Board Member?
- Would you be interested in speaking? Exhibiting at a vendor night?
- What service(s) should the organization provide its members?
- Can you recommend colleagues who would be interested in being a member or Board Member?

e) Conduct the survey. Establish a firm deadline by which results must be reported.

f) Analyze results. It is critical to be objective in doing so.

g) Determine next steps based on findings. Specifically, does it make sense to go forward, postpone moving forward until more interest is generated, or cease activity entirely? There is nothing wrong with saying that there is not enough membership commitment at the moment. You may want to wait a few months and set a date to start the process again. A different season can make a difference. If it appears the working group is unable to generate enough interest, these individuals may consider joining nearby organizations. This way they can stay current with what's going on and gather information that could help generate additional interest in starting the organization in the future.

### **3. SCHEDULE AN INFORMAL MEETING**

If the survey findings are favorable, the next step would be to schedule an informal meeting with interested parties invited. Prior to that meeting, the working group should meet to determine:

- Name of the organization
- Geographical boundaries of the organization
- Agenda
- Who should be in charge at the first meeting
- Selecting a site (a local hospital is preferable)
- Drafting and sending out an announcement
- Who is in charge of the sign-in sheet
- Nametags
- Greeting attendees
- Refreshments, if desired
- Inviting a guest speaker, if desired (possibly from another biomedical organization, AAMI, a manufacturer of medical equipment)
- Developing and handing out an information packet after the meeting (with membership applications)
- Door prize(s)

Since the most likely questions from attendees are "what's in it for me?" and "what will I get out of becoming a member," the working group, specifically the person in charge, should be prepared to address these issues. A review of the survey findings might prove helpful in this regard, as it is important to get the buy-in of potential members from the outset.

The guest speaker's role should be to assist in identifying the group's common areas of interest. He or she also could address the benefits of having such an organization.

It may be preferable to schedule an "event" as the kick-off effort. A fun activity, such as golfing, provides an opportunity for people to socialize and get to know each other. Afterward, the business agenda could be introduced. Attendees should be told beforehand what you plan to accomplish, but the social atmosphere and networking opportunities could foster a more favorable outcome for the serious issues.

a) Choose a name. The name of your organization reflects the territory or region that you focus your efforts in. It is your brand or logo that will always represent your organization. Protect this name by incorporating your organization with the state. See step 12. In selecting a name, consider the region, city, or location where your organization will focus its recruiting efforts. For example, Goldcoast, Appalachian Valley, NE Pennsylvania, etc.

### **4. DEVELOP BYLAWS**

A set of bylaws must be developed by the new organization and approved by its members. The bylaws detail the organization's operating procedures. The bylaws should include information concerning membership rights and priorities, governance, meeting attendance, and financial matters. The best way to begin this task is to refer to an existing biomedical organization's bylaws. (See

Appendix C for examples). While some revisions will need to be made in order to adapt the bylaws to your particular situation, the basic framework would be extremely helpful.

Each member of the steering committee should read relevant bylaws and be involved in the development process. While it may be more expeditious to have a committee of the Steering Committee do most of the work, it is vital that all members of the group come to a consensus on important issues. Two other reasons for developing the bylaws early is that 1) they provide an understanding of the seriousness of the undertaking, and 2) they are required, at least in some states, for incorporation purposes.

Refinement of the bylaws is an ongoing process throughout the life of the organization. They should be reviewed regularly to ensure that they are consistent with current practices. If not, they should be revised as needed. Keep in mind that a smaller steering committee would reach a consensus faster compared to a large one.

## **5. OBTAIN AN EMPLOYER IDENTIFICATION NUMBER (EIN) FROM THE IRS**

This is necessary to set up a bank account, which will be needed to deposit checks received from members and to pay for services, such as meeting expenses. This requires only a telephone call to the IRS, followed by the appropriate documentation. This will be the organization's official identification for tax returns and formal transactions, such as dealing with banks.

## **6. ESTABLISH A MAILING ADDRESS**

A post office box is preferable to a business or home address, because it provides continuity, eliminating the need to change the address each time a new board is elected.

Another option is private mail box services. This would enable you to receive deliveries from some courier services, such as Federal Express, which do not deliver to a U.S. post office box. In addition, you would have an actual address that could include a suite number, thereby making your address appear more professional. Finally, many of these services also offer phone message and copying services, which could prove beneficial down the road.

## **7. PLAN INAUGURAL MEETING (FIRST "OFFICIAL" MEETING OF THE ORGANIZATION)**

In some instances, Steps #3 and #7 may be one and the same. However, if there is some concern that the organization will not fly or additional fine-tuning is needed prior to announcing the formation of the organization, Step #3 provides the opportunity to "test the waters." Step #7 presumes the organization "is in business" and is an ongoing entity, albeit in its infancy.

The planning and organization of the first meeting is critical to getting the organization off to a right start. The general guideline should be to "keep it simple," despite the fact that there is much to accomplish. In order to attract a wide audience for this event, you may want to invite an interesting speaker who can address a topic of wide spread concern to the biomedical and technical services community.

Announcement of this meeting should be mailed well in advance, preferably a month before the event. Pre-registration should be required, so that the meeting room can be set ahead of schedule

and ample food is available. A contact name with phone number should be provided in the event of questions. You also might consider including a response card that can be mailed, thereby reducing the time commitment by the contact person.

The location should be convenient for most of the attendees. This could be at a local hospital, manufacturer's facility, or possibly in a meeting room of a hotel. Consideration should be given to whether or not to include a meal or refreshments, and what to charge.

This initial communication is important and should include the following:

- Purpose of the new organization
- Types of members
- Whether there is a fee for this initial meeting (It may be possible to get this meeting underwritten by a manufacturer or employer.)
- Start and end times (for attendees to know what to expect)
- Name of guest speaker and topic
- Solicitation of interest in serving on committees

Because it is important that the inaugural meeting runs smoothly, careful attention should be paid to the agenda and the time frame for agenda items. The steering committee chairman should run the meeting, with other members of the committee having been assigned specific roles. The agenda for the meeting will vary, depending on the nature of the group. However, some basics for inclusion would be:

- Purpose of organization.
- Introduction of steering committee members. Note: The organization may function for the first year under the leadership of the steering committee and its chairman. After that, a board of directors, consisting of officers and Directors, is officially elected by the full membership annually or biannually. It is up to the membership of the individual organization how it wishes to proceed in this regard.
- Introduction of attendees. By enabling each person to state his/her name, employer, and job function—a more informal, friendly atmosphere is created at the outset.
- Frequency of meetings and locations. Firm plans should be announced for the date, time, and location of the next meeting in approximately a month, in order not to lose momentum.
- Membership. Who can join, dues requirement
- Establishment of committees/solicitation of participation. It is recommended that a written list of committees, with information about their purposes and functions, be handed out to attendees at the start of the meeting.
- Question and answer session.
- Guest speaker.

## **8. CREATE A WEB SITE**

A Web site is a great tool to update members with upcoming events. This is also an avenue for job seekers, employers, students, and anyone who may be interested in the field.

Proposed suggestions for inclusion on the Web site:

- List officers and options for contacting them

- Upcoming meetings to include: place, time, subject, way to participate
- Local job postings
- Educational opportunities: local, regional, national
- Links to related Web sites
- Membership list
- Copy of the bylaws
- Suggestion box
- Application for joining
- Minutes from previous meetings

## **9. HOLD INAUGURAL MEETING**

All attendees should sign in by giving their names, addresses, phone and fax numbers, and e-mail addresses, to ensure they receive information on future programs. Steering committee members should greet attendees and talk with as many as possible following the program to determine participants' satisfaction with the event. The steering committee members may wish to have a debriefing session immediately following the meeting, to exchange information about individual communications, as well as discuss their overall reaction to the group dynamic. It is important that the schedule be adhered to, not only to wrap up the meeting in a timely fashion, but also to convey a sense of control. If the meeting loses focus, the interest of the participants also may be lost.

## **10. ORGANIZE COMMITTEES**

It is critical to the organization's future that committees are established to perform the many tasks required to continue formation and growth. The number and size of the committees may vary over time and with each organization. It is important to involve the membership in these committees, not only because the workload is less when distributed within the group, but also because committee work tends to give participants a greater sense of participation and ownership of the organization.

Typical committees include:

- Membership
- Communications/newsletter
- Program/meeting arrangements vendor relations
- Special projects
- Bylaws/policy
- Nominating
- Finance/audit
- Liaison
- Web site

A more specific account of the responsibilities of these committees is included in Appendix B.

## **11. OBTAIN LEGAL COUNSEL**

Legal counsel is strongly recommended to determine the potential liability of the organization and its officers. In some states, it may be advisable for the organization to incorporate to reduce potential liability. Before beginning this procedure, an attorney should be hired to oversee the process. The attorney also should review the organization's bylaws for compatibility with state regulations. This



information supports the tax-exempt organization application to the federal government. The decision to incorporate or to purchase liability insurance can be costly, so it is best to obtain professional advice before moving forward, as circumstances and requirements vary from state to state.

## **12. INCORPORATE WITH THE STATE**

Based on the attorney's recommendation, it may make sense to incorporate at the state level. Contact the state's corporation commission, which probably is located in the state capital.

Incorporation is important for two reasons: 1) it limits personal liability, thereby reducing personal risk, and 2) it protects the name of the organization. Without incorporation, another organization could take your name, thereby robbing you of a key element of your identity.

## **13. DEVELOP THREE-YEAR BUSINESS AND FINANCIAL PLANS**

In order to maintain interest and ensure ongoing programs, a three-year schedule should be generated. The first year of the calendar should be fairly firm, to allow scheduling and coordination. The subsequent years will be less so, but still provide a projection of what the organization hopes to accomplish in the near future. The purpose of this planning is to publicize programs as widely as possible and enable coordination for meeting sites, speakers, and programs.

It is important for a newly established organization to focus initially on the basics and to get itself operating smoothly. Its more long range plans may include expansion of its geographic base or an annual meeting in conjunction with AAMI or a local organization in a neighboring state. While this vision of the future is important, it may be too ambitious—even counterproductive—to undertake such large goals in the early stages.

The financial plan should provide a projection of the organization's income and expenses over a three-year period. This is particularly critical for a start-up entity, which must make critical decisions with regard to dues amounts, types of membership, and sources of non-dues revenue, such as special programs or vendor nights. Likely expenses would include a newsletter, Web site, bulletin board, or some other regular means of communication; meeting-associated costs such as meals or room rental; postage; stationery; copying; and reimbursement of phone, mileage, or other allowable expenses incurred by members.

As a first step *before* developing the plan, the organization should do an honest and objective analysis of its position vis-à-vis its environment, assessing its strengths, weaknesses, opportunities, and risks. This analysis provides the framework on which the future strategic direction of the organization is built.

## **14. RAISE OPERATING FUNDS**

Dues are a generally accepted means of raising revenue. It is important, however, not to set the level for individuals so high that it deters membership. One common practice is to develop a tier-type of membership, with corporate members paying the highest amount and individuals and students paying a more nominal fee. The membership and/or liaison committee should benchmark the

practices of other biomedical organizations in order to determine the most logical dues structure to adopt. In addition, it should survey area companies and other targeted institutional supporters to assess the level of monetary support they are likely to provide.

Possible sources of non-dues revenue include:

- Dinner meetings sponsored by manufacturers. Dinner is provided by the sponsor, but members are charged a nominal fee; nonmembers are charged a higher rate. This enables the manufacturer to have a forum for a technology presentation or new product introduction, while providing the biomedical organization with a fundraising opportunity, coupled with an educational event.
- Manufacturer training courses. Some manufacturers are willing to conduct free or discounted regional training courses sponsored by biomedical organizations. These can be major revenue generators for the organization. It is important to determine upfront each party's responsibilities. For example, who pays for the promotion of the course, facility rental, and meals?
- Vendor Nights. Biomedical organizations charge a fee for manufacturers to display equipment or literature about their products. Depending on space availability, financial resources, and other factors, this could be restricted to a few companies or expanded to include not only exhibits, but also educational programs. This latter example is on the more aggressive side and more appropriately fits within the long-range planning model described earlier.
- Group sport activities such as a golf tournament.

## **15. ELECT OFFICERS**

The bylaws should specify who the officers of the organization should be, their responsibilities, and their terms of office. They also should stipulate the size and term of office of the board of directors. Boards frequently have rolling memberships (e.g. members may be elected for a three-year term, with one-third of the board elected every year).

The responsibilities of the officers should be clearly defined. An officers' operations manual may be used to supplement the bylaws, as noted in Appendix D. This manual also outlines the procedures for the organization, providing a handy reference document that ensures continuity overtime.

Members of the organization should attempt to nominate individuals that have some expertise and strong commitment to the office they seek. This should be an organizational goal. Less experienced individuals should be involved early on, thereby being groomed for possible future positions as officers. One way to achieve this is to elect or appoint a less experienced person to a key committee position or chairmanship, thus enabling him or her to develop skills required by an officer.

## **16. ESTABLISH PROCEDURES FOR FINANCIAL MANAGEMENT**

Biomedical organizations presumably are established because of the professional concerns of its members. It is imperative that it is operated like a business. It must operate on a sound financial basis and adhere to generally accepted accounting policies and principles.

Procedures must be established to handle funds received, ensuring that they are deposited promptly in a financial institution and accurately recorded on the organization's books. Similarly, there should

be procedures that document the accountability for money expended, including authorization for such expenditures. Check signing authorization must be defined, including whether to require more than one signature on checks. One method commonly used is to require more stringent controls as the amount of expenditure increases. For example, the treasurer can sign checks up to \$500; the president and the treasurer must jointly sign checks up to \$2500, the president and chairman of the board must jointly sign checks over \$2500.

As an organization grows, improved accounting practices may be in order. A newly elected treasurer should have the opportunity to review past financial practices to determine if they are adequate for his/her term of office. The bylaws should state clearly the treasurer's responsibilities, but it is ultimately the president who is held accountable for proper financial management. This responsibility sometimes is shared with the board of directors, thereby spreading accountability.

Ideally, the treasurer of the organization should have some accounting experience (e.g. department managers/supervisors frequently are involved in bookkeeping responsibilities as part of their daily routine, as well as budgeting). If anyone in the organization has that experience or is willing to assume the treasurer's responsibilities, then identify someone with good organizational skills. Purchasing a textbook on setting up books for a business operation would be money well spent. The board might also consider buying bookkeeping software such as "Quickbooks" or "Manage Your Money." It will help classify income and expenses, and generate professional looking reports and presentations.

The bylaws should stipulate that there be an annual audit of the books and financial records of the organization to ensure they are being handled properly. It is recommended that an outside accountant or CPA conduct an independent audit also. It is imperative that each organization has an individual familiar with local tax laws and filing requirements who can prepare the annual tax and legal filings in a timely manner.

## **17. APPLY TO BECOME A FEDERAL TAX-EXEMPT ORGANIZATION**

A nonprofit biomedical organization can apply for tax-exempt status with the IRS. (See Appendix A). Before doing so, you must have your bylaws in order, as the IRS is very particular about the wording and what you designate as your type of organization. As noted in Step #11, an attorney should be hired to assist in this process. It is essential that the Federal and State Tax status be settled early in the organization's life. Delays could cause the IRS to audit the books and assess past due income taxes as well as possible liens and levies.

The respective state Department of Revenue will be notified automatically of the organization's incorporation and will respond with a questionnaire concerning the organization's purpose and funding. Based upon this information, the organization's tax status will be determined and the incorporator (one of the local organization's officers) will be notified of that determination.

## **18. AFFILIATE WITH NATIONAL ASSOCIATIONS**

For a nominal cost, affiliation can provide numerous additional benefits to the local organization and its members. One natural affiliation would be to join the Association for the Advancement of Medical Instrumentation (AAMI). AAMI already has a long-established membership category for biomedical organizations, as well as a wealth of products and services specifically targeted to the biomedical community. In addition, AAMI serves as the secretariat for the International Certification

Commission (ICC), which certifies biomedical equipment technicians, clinical engineers, laboratory equipment specialists, and radiology equipment specialists. AAMI's Technology Management Council is also a good resource for groups that are either starting out or have well-established organizations. For more information about the benefits of AAMI biomedical organization membership, visit AAMI's Web site at [www.aami.org](http://www.aami.org).

## **19. MARKET THE ORGANIZATION**

The ability to persuade others to perceive value in the organization is fundamental to its success. Building membership that truly represents biomedical and technical service providers in your area is important to securing corporate membership and sponsorship of association events. Vendor support is critical to such areas as technical education, fundraisers, and organizational skills.

Another fertile source for new members is local colleges. There is a good synergistic relationship between your organization and the college. Your organization most likely will express a need for education in its bylaws and can draw upon the colleges for speakers, technical resources, and possibly other resources, such as current videos and publications. The college/university needs to stress the importance of ongoing professional development to its students. It also should provide them with early experience in forming a support network that can provide them with insight into what the profession is really like and be a ready source of contacts once the job search begins.

One way to enhance the recognition of your organization is to develop a logo. This is an optional feature that is nice to have, particularly for your organization's Web site, signage, and other venues where your name would be listed.

## **20. GROW THE MEMBERSHIP**

This is another key component of a successful organization, particularly in the early years. It is critical to keep alive the enthusiasm of the original members and build upon that strength. As with any organization, there will be some natural attrition over time, so it is important to continually bring in new blood to sustain the organization for the long term. It is recommended that there be a program of mentoring, so that younger members feel welcome, plus receive enhanced value from their membership. If the organization is to be sustained over time, this continual process of development must be continued. In fact, a mentoring program can be developed into one of the primary benefits of the organization if done well, for it can be a rewarding experience for members of any age or level of experience.

## **21. COMMUNICATE**

Communication is the lifeblood of any organization, not only between the board of directors and the membership at large, but also among the entire membership, and between the membership and others in sister organizations throughout the country. Electronic communications have greatly enhanced the ability to communicate rapidly, as well as reduced the costs for expenditures such as newsletters. In fact, your organization may elect to rely predominantly on e-mail as its means of communicating, but if so, bear in mind that there maybe some members who do not have ready access.

One value-added feature of your organization might be the ability to go online and communicate instantly with peers via chat rooms, bulletin boards, and list serves. This is a relatively easy and

inexpensive way to obtain vital information quickly and to network within the organization. Some of these services presume the existence of an organization Web site. An alternative would be for a local biomedical organization to join AAMI, thereby immediately connecting with all other AAMI member biomedical organizations' and gaining instant access to a much broader community.

In communicating with the membership, it is essential that you stay current with what your members think, not only through informal communications between the officers and members, but also through periodic surveys designed to assess member needs, interests, and expectations. Also, remember to thank your members for their support and participation.

**APPENDIX A**  
**REQUIREMENTS FOR TAX-EXEMPT STATUS**  
**INTERNAL REVENUE CODE, SECTION 501(c)(6)**

Your local biomedical organization probably would qualify as a 501(c)(6) under the Internal Revenue Code. This requires that it file an IRS Form 990 and 990T each year; your accountant should be consulted on this issue. This exemption does not preclude organizations from having to pay sales taxes.

**GENERAL REQUIREMENTS FOR A 501(e)(6):**

- Must be a business league, chamber of commerce, or similar organization. This includes professional societies.
- Must consist of members having a common business interest; its purpose must be to promote this common interest. Members of a particular profession have a common business interest.
- Must be nonprofit. The organization may earn a profit so long as its principal purpose is not to earn a profit. The organization must be structured in a nonprofit format, usually a non-stock, membership corporation or association.
- No part of the organization's net earnings may benefit any private shareholder or individual, including members or employees.
- It may not pay dividends to members.
- The following activities have been held to be inurement:
  - Rebates of trade show profits only to member exhibitors.
  - Reimbursements of members' litigation costs without regard to precedential value of litigation.
  - Group advertising of member companies.
  - Distribution to members of royalties received on association-owned copyrights or patents. Reduction in dues as a result of extreme differentials in price of association services to members vs. non-members.
  - Activities must seek to improve business conditions in one or more lines of business as opposed to performing particular services for individual members.

The following activities have been held not to constitute inurement:

- Reasonable price differentials between members and non-members.
- Activities must seek to provide general or common improvements as opposed to special assistance to individual members.
- Particular services are activities designed to benefit members individually rather than as a group.

- IRS applies a primary activities test (i.e. more than 50 percent) in enforcing the requirement that
- The primary activity of the organization may not be the offering of particular services to members.

The IRS has held the following to constitute particular services when carried on primarily to benefit members individually:

- Providing insurance for members and their employees.
- Providing credit information services for members.
- Sale of advertising in member publications.
- Cooperative buying or selling to members,
- Providing particular services to members is not prohibited and will result in loss of Section 501(c)(6) status only if carried on as an organization's primary activity,

The principal purpose must not be to engage in a regular business of a kind ordinarily carried on for profit.

- An organization meets this test unless its primary purpose is to carry on a business ordinarily carried on for profit.
- An organization will lose its exemption only if more than 50 percent of its income and expenses relate to a business or businesses operated for profit and unrelated to its exempt functions.

There are frequently asked questions about 501(c)(6) organizations:

- There is no limit on the permissible size of an association's reserve.
- There are no restrictions on the amount of lobbying which may be carried on in the common business interests of members.
- If an association engages in "grass-roots" lobbying, a portion of its dues payments may be ruled non-deductible.

Note: Entire Appendix has been excerpted from "Starting and Managing a Chapter," American Society for Association Executives, pp. 219-222, © 1997.

## **APPENDIX B RESPONSIBILITIES**

### **REGIONAL BIOMEDICAL ORGANIZATIONS**

Regional organizations are developed to serve the specific needs of biomedical and technical service professionals in their geographic area. They are able to identify items, such as state or local regulations, which impact their market.

The board of directors should develop a Mission Statement for the organization specifying its objectives and outlining the types of programs and services the organization will provide to its membership.

The objectives should be reviewed periodically to assess progress in each area. Among these objectives should be:

**MEMBERSHIP:** To improve existing services and develop new services that create exceptional value and pride in belonging.

**EDUCATION:** To offer innovative and effective educational programs that foster open interactions and exchanges of experience.

**PUBLICATIONS:** To provide a wide range of information in a timely manner through publications and other communications media.

**ADMINISTRATION:** To develop an operational structure with a stable financial base responsive to a growing membership.

The following list describing committee and position responsibilities is meant as a guideline and can be tailored to fit each organization's needs. Those responsibilities deemed to be mandatory should be included in the organization's bylaws.

### **STEERING COMMITTEE**

The steering committee is the group of persons who initiate the regional organization's formation. While there are no defined responsibilities, the committee should maintain a concerted effort to continue organization formation.

Typically, this group will:

- Solicit participation from local industry members
- Select a leader to communicate with other committee members and the potential organization membership base
- Develop the mailing list
- Develop an interest survey
  - Speakers
  - Meeting locations
  - Meeting formats
  - Meeting dates
  - Meeting times (workday, evenings, or weekends)

Usually, the steering committee members are elected by the general membership, as the organization's first board of directors (officers and directors). The responsibilities of these offices are detailed below:



## **OFFICER/DIRECTOR RESPONSIBILITIES**

The board of directors manages the organization's operations in a cost-efficient manner, providing programs of particular interest to its members. More specifically, these responsibilities are:

### **President**

- Presides over all board and general membership meetings.
- Chairs the board of directors and has other powers, as may be assumed as reasonably belonging to the board chairman.
- Coordinates overall planning and activities.
- Attends all board and organization meetings and functions.
- Appoints all committee chairpersons (or these may be elected, depending on the organization's bylaws).
- Prepares and submits reports required in organization bylaws.
- Assures that all documents, certificates, and reports have been filed as required by local, state, and federal laws.
- One of the officers who signs checks and drafts.
- An active member of the organization.

### **Vice President**

- Becomes acting president in the absence or inability of the president to exercise the duties and office.
- A voting member of the board of directors.
- Typically chairs the program/meeting arrangements committee.
- Attends all board and organization meetings and functions.
- An active member of the organization.

### **Treasurer**

- Monitors the collection and disbursements of all organization monies.
- Works with the accountant hired by the organization, reviewing all tax and other financial filings.
- A voting member of the board of directors.
- Deposits organization funds in an insured financial institution and maintains a checking account and an interest-bearing savings account in the organization's name.
- Provides a financial report at each board and membership meeting and an annual report.
- An active member of the organization.

### **Secretary**

- Records and distributes board and organization meeting minutes.
- A voting member of the board of directors.
- Files any certificate required by any federal or state statute.
- Maintains the current membership mailing list
- Coordinates distribution of meeting notices and communications with the communications/newsletter committee.

- Maintains a directory of all officers, board members, and committee chairpersons for each fiscal year. Attends all board and organization meetings and functions.
- An active member of the organization.

### **Directors**

- Voting members of the board of directors.
- Provide input concerning planning and operations.
- Become chairpersons of current committees, as directed by the president, assuming this is consistent with the bylaws.
- Perform service assignments as requested by the board.
- Attend all board and organization meetings and functions.
- Active members of the organization.

## **COMMITTEE RESPONSIBILITIES**

The following descriptions are *ONLY* guidelines and are *not* put forth as roles and regulations. Differences in the goals and constituencies of each biomedical organization will force variations in how these guidelines are applied. Note that all committee members must be active members of the organization.

### **Liaison Committee (or individual):**

- Deals with other biomedical organizations and similar professional associations in the same market, to exchange ideas, promote programs, and discuss potential program co-sponsorships.

### **Program/Meeting Arrangements Committee**

- Plans and executes all organization meetings.
- Identifies and recruits speakers.
- Identifies and coordinates potential tours.
- Develops and distributes annual Events Schedule.
- Responsible for setting up, registering, and signing in all participants in conjunction with membership committee.

### **Membership Committee**

- Responsible for membership growth and retention.
- Recruits a corporate representative at each local hospital or other health care facility to *notify* colleagues of upcoming events.
- Maintains a current membership mailing list and coordinates its accuracy with the organization's secretary.
- Works with organization officers to develop methods of attracting and retaining members.

### **Nominating Committee**

- Comprised of members (ideally the past presidents) who have no personal involvement in the election. Chaired by a past president or the out-going president.
- Reviews the entire membership list in settling on a final slate.

- Keeps all discussions regarding nominees confidential and within the nominating committee. Contacts proposed nominees to determine their interest and explain their responsibilities. Requests nominee agreement in writing before the election.
- Presents full slate of nominees to the board of directors (officers and directors) for final approval, prior to the election by the full membership.
- Provides written ballots and records the results of the elections as outlined in the bylaws.
- Factors to consider in reviewing candidates for nomination:

**APPENDIX C  
BYLAWS OF BIOMEDICAL ORGANIZATIONS**

**MEPCIS BY-LAWS**

**Article I - Name**

- The name of this organization shall be Mid-Eastern Pennsylvania Clinical Instrumentation Society (M.E.P.C.I.S.).

**Article II - Purpose**

The purpose of this society shall be:

- To provide a forum for communication among biomedical instrumentation professionals.
- To promote interactions with other medical professional organizations.
- To support and encourage continuing education.

**Article III - Memberships**

- Full membership shall be open to all individuals who agree with the purpose and are employed in the field of biomedical/clinical engineering in the health care, service, or medical device industry.
- Associate membership shall be open to students and others who agree with the purpose.
- Group membership will enable cost savings for multiple full memberships from one institution or corporate/commercial organizations.
  - Institutional and Corporate/Commercial memberships shall be defined as follows:

An institutional membership shall be an organization whose main function is to provide long or short term health care to the general population.

A Corporate/Commercial membership shall be an organization whose main function is to provide a service and/or produce a product related to health care.

- Group full members shall be established at the time of annual appreciation.
- Additions to a group membership after application are to be considered as individual full members.

**Article IV - Voting**

- Each full member in good standing shall be entitled to one (1) vote.
- Only the votes for the election of the society officers may be performed by proxy.
- Corporate/Commercial Group memberships shall be limited to two (2) voting full members.

**Article V - Dues**

- Membership dues will be paid annually, due before the first meeting of the calendar year.
- Dues are established as follows:
  - Student membership-\$9.00 first year, \$7.00 renewal\*
  - Full membership-\$23.00 first year, \$20.00 renewal\*
  - Group membership-\$67.00 first year, \$62.00 renewal\*

When dues are paid after the first meeting of the calendar year, first year prices are in effect.

**Article VI - Meetings**

- Regular meetings will be held at least six times per calendar year.
- An annual meeting will be the first meeting of each calendar year and will be held to elect and inaugurate officers of the association.
- A quorum of 12 members with a majority of the executive officers present shall be needed to conduct business.
- For meetings including a fee, members must notify the Society of their cancellations by the RSVP deadline date. Any executive officer should be contacted. A member who fails to cancel their reservation shall be responsible for the fee payment by the next scheduled meeting.

**Article VII - Officers**

Officers shall be nominated for each office by the membership at the last meeting of the calendar year. Terms of office shall be two consecutive years. Election of each officer shall be by written ballot received by the secretary prior to or at the January annual meeting. Election shall be by plurality vote.

**President:**

- The president shall preside at all the meetings of the directors and members, and shall have the general management and control of the business affairs. The president shall sit on the board of affiliated professional organizations; if he is unable to fill this position he shall appoint a designated representative.

**Vice President:**

- The Vice President shall assist the President, and in the President's absence or inability shall perform all his duties and exercise the power of the President.

**Secretary:**

- The Secretary shall keep the minutes of all proceedings of the officers and members, and shall attend to the giving and serving of all notices to the members of the society, and shall keep a list of membership.

**Treasurer:**

- The Treasurer shall receive and have custody of all funds and other personal property of the society and shall deposit these in such bank(s) as shall be designated by the Executive Committee. All funds disbursed shall be authorized by the Executive Committee. Any expense which is expected to exceed \$500.00 must be included in one meeting announcement and read at one meeting before a majority vote. The President and Treasurer must co-sign all checks for disbursement.

#### **Article VIII - Committees**

##### **Executive Committee:**

- The Executive Committee consists of the President, Vice President, Secretary, and Treasurer. The Committee shall plan a meeting agenda in co-operation with the Program Committee. Also, the Executive Committee shall review all membership applications and classify them accordingly. The past President shall serve in an ex-officio capacity.

##### **Program Committee:**

- The Program Committee consists of members interested in planning special programs in the best interest of the Association to be held at regular meetings.

The President shall establish Committees when needed and shall appoint members when necessary.

#### **Article IX-Amendments**

- Amendments to these by-laws shall be instituted by a two-thirds majority vote of the membership present at the regular meeting. Notice of the action to amend these bylaws shall be included in two (2) consecutive meetings prior to the final vote.

#### **Article X – Procedures**

- All procedural matters not expressly covered in these by-laws will reference the current edition of Robert's Rules of Order.

**BYLAWS OF THE NY/PENN MEDICAL INSTRUMENTATION ASSOCIATION**  
**(JAN. 1995)**

**ARTICLE 1** - This body shall be known as the "NY/PENN MEDICAL INSTRUMENTATION ASSOCIATION" (N.M.I.A.).

**ARTICLE 2** - The purpose of the N.M.I.A. is to provide a forum for people involved in the field of medical instrumentation technology to exchange ideas and technical information; to provide a means of communication of new instrumentation, techniques, standards, and other areas of mutual concern; to support and encourage continuing education; to promote and sponsor service training at a local level and offer our experience to others; and to encourage qualified professionals to enter into the field of biomedical technology.

**ARTICLE 3** - Qualifications for general membership shall be determined by the Board and will follow the general guidelines of our bylaws;

a) Active Member: any individual with an interest in the healthcare industry. These members shall be eligible to hold office, vote, or be members of the Board.

b) Associate Member: any individual or organization having an interest in the healthcare industry, but who would rather not hold office, vote, or be active members of the Board.

**ARTICLE 4** - Dues for membership for each calendar year shall be determined by the Board with the President's approval.

**ARTICLE 5** - Voting.

Issues to be voted on by the general membership will be mailed as a ballot that must be received by the time and date specified on the ballot. Only Board members will vote on items not sent to the general membership. The Board will decide which issues will be presented to the general membership where not specified in the Bylaws. Each member of the voting body shall be entitled to one vote, exercised by proxy or in person. Election of Officers shall be by written ballot.

**ARTICLE 6** - Meetings shall be held as follows:

a) The Annual Meeting of the Association will be held at a time and place designated by the Officers to hear reports, transact new business, and elect new Officers, General membership participation is expected,

b) The Board will meet once each month at a time and place designated by the Officers to carry on with old business and transact new business,

c) Quarterly Meetings, defined by the Officers, will include reports to be presented by the Treasurer and appointed positions, in addition to summarizing and carrying on with old business and transacting new business. General membership participation is expected.

d) Special Meetings may be held during the year at the request of the Officers at a designated

time and place.

e) At any meeting of the Board a quorum for the transaction of business shall consist of three (3) Board members. The quorum for the election of Officers shall consist of 20% of the general membership.

f) Notices of all meetings shall be given at least ten (10) calendar days before the meeting, The notice will state the time, place, and purpose of the meeting. A notice will be mailed to each active member.

g) Cancellation or rescheduling of meetings is approved by the President.

**ARTICLE 7** - Officers are nominated from the Board membership by the general, membership and are voted into Office by the general membership.

**Section 1 - President.**

The President, when present, will chair the Board and shall preside at all meetings of the membership. He or she shall be the chief executive officer and shall see that all orders and resolutions are carried out. In all cases where the duties of an officer or committee are not specifically prescribed by the Bylaws, the officer or committee shall have the duties as prescribed by the President.

**Section 2 - Vice President.**

The Vice President shall perform the duties and powers of the President in the President's absence or inability to perform.

**Section 3- Secretary.**

The Secretary shall keep or cause to be kept the membership role of the Association. The Secretary shall maintain permanent records of the results of all votes and all proceedings of all meetings of the Association. The Secretary shall notify all members of the Association in writing of each meeting thereof.

**Section 4 - Treasurer.**

The Treasurer shall be responsible for the receipt and disbursement of all funds of the Association .and keep accurate records thereof. All funds disbursed by the Treasurer shall be authorized by the President. Disbursement checks must be signed by the Treasurer and President or Vice President. The Treasurer shall deposit funds of the Association in banks designated by the Officers and shall submit a statement of accounts at each Quarterly Meeting.

**ARTICLE 8 - Restrictions to Office.**

Term of office shall commence on the first of the new calendar year with acceptance to office at the first meeting of that year. A term of office shall be two years.

**ARTICLE 9 - Committees.**

**Section 1- Nominating Committee.**

The Nominating Committee shall consist of members, excluding incumbents, designated by



the Board to collect, from the general membership, nominations for Officers and to assure the following:

- a) there shall be a minimum of two (2) candidates chosen to run for each Office,
- b) candidates must be selected from the Board,
- c) a slate of candidates shall be chosen at least forty-two (42) days prior to the Annual Meeting, and
- d) a ballot containing the names of all candidates for office shall be submitted to each active member at least twenty-one (21) days prior to the Annual Meeting.

**Section 2- Other Committees.**

The President shall establish other committees from time to time and determine the method of appointment of the members thereto.

**ARTICLE 10 - Amendments and Revisions.**

Amendments or revisions to these Bylaws shall be instituted by two thirds majority vote of the general membership.

**ARTICLE 11 - The Board** will be a working body that plans and organizes NY/PENN business and activities. Any member is welcome to attend and participate in a Board meeting. Any member may contact the President and submit a topic to be placed on the agenda for discussion at a meeting.

**Section 1 - Board Membership.**

Any active member may petition the Board for Board membership through the Secretary or at a Board meeting but must have attended at least three (3) of the last six (6) monthly Board meetings. Each Officer holds a seat on the Board. The Board may nominate an interested member to hold a seat on the Board. A seat on the Board is held as long as the criteria for Board membership are met. The number of seats on the Board will vary per Board needs.

**Section 2 - Removal from Board.**

Each member of the Board must attend at least three (3) of the last six (6) monthly Board meetings to hold their seat. The Secretary will maintain an attendance roster and notify members of the Board if attendance at a meeting will be necessary to maintain the attendance criteria. Failure to meet the attendance criteria does not result in automatic removal from the Board but does automatically revoke voting as a Board member. Removal from the Board is initiated by the Board and voted on by the Board membership; appeal can be made at a Board meeting and voted on by the general membership.