

How to Start an Auxiliary

1. Schedule a formation meeting between your Council KofC officers and the ladies interested in starting a Ladies Auxiliary. At this meeting, the KofC Officers can introduce you to the Council and discuss the benefits of having an auxiliary.
2. After this exploratory meeting, contact those considered eligible by inviting them to attend a general meeting where the aims and purposes of your Auxiliary will be presented and the Colorado State Ladies Auxiliary (CSLA) bylaws reviewed.
3. To be eligible for membership, an individual shall have a direct relationship with a member of the Knights of Columbus or a lady of the Catholic faith. Your auxiliary may also choose to have Associate members (unrelated to a Knight) if these Ladies abide by the bylaws of the Colorado State Ladies Auxiliary, and are not in opposition to the practices and teachings of the Catholic Church.
4. At this point, please contact the Colorado State Ladies Auxiliary at costateladies@gmail.com to invite representative(s) attend as many meetings as necessary to guide you through the process. There is no limit as to the number of members an Auxiliary may have.

SUGGESTED AUXILIARY GUIDELINES

Here are some basic guidelines to help you get started:

- Your organization will need leadership. A President, Vice-President, Recording Secretary and a Treasurer are enough to help you get started. Other offices: Corresponding Secretary, Hostess, Historian and Spiritual Leader/Director can be added as your auxiliary grows.
- Decide on dues. The annual dues you decide to assess is entirely up to your membership. Some auxiliaries charge \$10.00 per year; others charge \$20.00 (it is up to the membership.) Some charge a dollar a month (\$12.00 + \$5.00 (yearly) state dues = \$15.00) the state dues are payable by April 1st each year to offset the convention expenses. It also helps with the charities voted on at convention that the auxiliaries propose. A new auxiliary does not pay the \$5.00 per member for their first year as an auxiliary. If you choose to have Associate members, please not you will not be required to pay annual state dues for these

members. They are also ineligible to vote at the annual state business meeting or run for state office.

- Discuss fundraising projects. the projects you would like to do to raise money for your treasury and charity. Bake sales, craft sales, garage sales, “no bake” bake sales, spaghetti dinners, dances are just a few of the things auxiliaries do to raise money. Or you can help the knights with bingo, breakfast or a fundraiser the knights do and share the profit with the knights.
- Discuss the charity(ies) you would like to support (the church/priest, women/children’s interests, a charity your KofC Council currently supports or a charity you would like to help).
- Discuss the day/time of your meetings. Many auxiliaries meet the same night as the council – do what is best for your members. Many auxiliaries choose to meet the same day each month (second Tuesday). Some meet 12 months out of the year and other’s meet September through June.
- Discuss how to recruit members. If the men are doing a membership drive, have some of the ladies stand with them to talk to the wives. Send out invitations to a luncheon or tea to invite ladies to hear about the auxiliary.
- Discuss whether to recruit Associate members. CSLA Bylaws outline membership guidelines, Associate members are recruits who are not affiliated with your Council. They may be members whose husbands, fathers or brothers are not Knights, but are interested in joining your auxiliary. If you decide to have Associate members, your bylaws may specify if these members may hold an office. Associate members are not eligible to hold an office in the state auxiliary or be a delegate at the annual convention. Otherwise, Associate membership is just like any other member.

OPERATIONAL SUGGESTIONS

1. Learn to use the best abilities of the members in the fields of endeavor that they enjoy most. You cannot beat loyalty, enthusiasm or dedication. These qualities are present in your group; seek out and use them.
2. Appoint experienced former officers as co-chair-persons of program activities. Their experience can be of great assistance in aiding and

counseling newer committee members. In filling committee appointments, the following factors should be considered; is she experienced, capable, has time to do the job, accepted by others and gladly accepts the appointment.

3. Start meetings at the scheduled time and follow through in a business-like manner. Meeting agenda outlines are included in the Colorado State Ladies Auxiliary (CSLA) Bylaws. *ROBERTS RULES OF ORDER* should be the Presidents go-to resource.
4. Keep meetings short and lively, with interesting speakers, events and entertainment. Refreshments and entertainment should fit the occasion.
5. Auxiliary meetings should be held at suitable quarters, accessible to all, such as the K. of C. hall, church premises, bank, civic or business hospitality rooms.
6. Installation of officers should be an open affair, preferably a joint installation with the Knights of Columbus Officers and should be conducted by the Colorado State Ladies Auxiliary (CSLA) officers or, if one is not available, then the installation should be conducted by a Past Colorado State Ladies Auxiliary (CSLA) President.
7. All inquiries to schedule an installation should be directed to the Colorado State Ladies Auxiliary (CSLA) President.
8. Give members greater value for their time and money invested in the Auxiliary than they can find elsewhere. Constantly add interest to programs. You need a cause as a reason for existence. This can be emphasized by responsibility in Knights of Columbus programs, Church, Charity, Youth and Community activities. Good deeds attract good people and encourage and provide a means for family participation in programs that help maintain better family unity.

Q+A ABOUT BECOMING A 501c3 NON-PROFIT ORGANIZATION

Why should my Auxiliary become a 501c3?

One of the primary benefits of being tax-exempt under IRC Section 501(c)(3) is the ability to accept contributions and donations that are tax-deductible to the donor. Additional benefits include, but are not limited to:

- Exemption from federal and/or state corporate income taxes.
- Possible exemption from state sales and property taxes (varies by state).

- Ability to apply for grants and other public or private allocations available only to IRS-recognized, 501(c)(3) organizations. Foundations only give grants to 501(c)(3) organizations. Individual donors to your nonprofit corporation can claim personal federal and state income tax deductions, and bequests may be exempt from federal estate taxes.
- The public legitimacy of IRS recognition.
- One of the most significant advantages of incorporation has to do with protecting members of your organization from personal liability. Board members, officers, and employees of your organization receive protection from liability for corporate debts or lawsuits. Creditors can only go after your corporate assets, not the personal assets of the people who manage, work for, or volunteer for your nonprofit.
- Discounts on US Postal bulk-mail rates and other services.
- Less expensive advertising rates.
- Free radio and television public service announcements (PSAs).

What happens if we choose not to become a 501c3?

You may choose not to become a 501c3, however, your organization may be at risk if the IRS or other state entity decide to review your books.

If we choose not to make this change, can we still be a member of CSLA?

Of course, you can be a member of CSLA. It does not matter what type of legal entity your auxiliary is. Our goal is to support the Colorado Knights of Columbus as well as all of the ladies' auxiliaries in the state of Colorado.

Why can't we continue to operate as a supporter of our KofC council?

You can continue to operate as a support of your K of C council. The ladies auxiliaries' main objective is to support the KofC council. Your auxiliary is no longer able to be linked to them financially and under their organization as a legal entity.

Our auxiliary is tiny. We barely make any money from year to year. We can't afford to hire someone to help us do this – let alone get

into serious accounting/financial practices. Do we still have to do this?

As stated above, you are not required to do so, however, there are many benefits of doing so. We have resources available to help you set up your organization as well as file tax forms, etc. If you decide to move forward, let us know and we can put you in touch with folks who can help you get set up.

What does it mean to be “under the umbrella of the CSLA”? If we incorporate as a 501c3, aren’t we a standalone organization?

Being under the umbrella of the CSLA means that we can assist you in getting set up with your legal entity. As a member of the CSLA, one of the benefits is to use the resources we have available to assist you. We also recommend looking at your immediate KofC Council members (many of which are CPAs and attorneys) who may be able to provide guidance. Yes, you are a stand-alone organization from a legal perspective.

We don’t file taxes now. If we do this will the IRS come after us for past funds we’ve raised because we aren’t a 501c3?

We cannot provide legal advice. We have many resources available that can help answer this question in more detail. By becoming a 501c3, you are considered a non-profit legal entity and are not required to pay taxes. However, there is a brief 990N form that needs to be filed each year to show what income you brought in. It only takes a few minutes.

If you have questions, PLEASE submit them to costateladies@gmail.com.

HOW TO FORM A COLORADO NON-PROFIT

HOW TO USE THIS GUIDE

Use the guide below to form a 501(c)(3) nonprofit in Colorado. Keep in mind that the process requires forming a nonprofit corporation and getting tax-exempt status with the IRS.

Since the overall process is extremely complex, we highly recommend consulting with an attorney or using a service for personalized top-to-bottom nonprofit formation and obtaining IRS 501(c)(3) status.

SECURE YOUR NON-PROFIT NAME

To secure and register your non-profit name in it should be unique, not too like another registered entity name, and shouldn't contain any restricted wording as defined by Colorado law. To check for naming conflicts, first conduct a Business Entity

Search <http://www.sos.state.co.us/pubs/business/businessHome.html> through the state and be sure to check with section 7-124-101 in the state code (subject to change, this step may be optional if you are immediately filing your entity Articles).

If needed, you can also file a Statement of Reservation of Name form online to reserve an available name for 120 days. Filing Fee: \$25

APPOINT A REGISTERED AGENT

A Colorado Registered Agent is required of your non-profit for compliance purposes. This registered, or statutory agent, can be an individual registered citizen or a corporation authorized to conduct business in the state. They'll also need to provide a street address, for your registered office and hold regular M-F business hours.

That said, you can use a member, neighbor or hire an outside professional service and expect to pay up to \$160/year, or get a certified agent free when you incorporate your non-profit with a service. They handle this and more depending on your startup package.

SELECT INCORPORATORS & PRESIDENCY or PRESIDENCY

In Colorado you're going to need to select at least one incorporator (7- 122- 101), and yes you can have more (often recommended), who are responsible for executing the Articles of Incorporation with the state. They just need to be human and over the age of 18. Presidency, on the other hand, are a bit more complex and come with a lot more corporate formality (7-122- 105).

Colorado requires you to set the min/max number in the bylaws in our next step, and to use the bylaws to establish whether they must be a CO resident or from within the non-profit itself. This is quite different to most other states, so if you have any questions working with an attorney or incorporation service helps.

DRAFT NON-PROFIT BYLAWS

This is somewhat complex subject, but here are two primary notes in state law concerning non-profit bylaws (7-122-106):

(1) The Presidency of Presidency or, if no Presidency (or Presidency) have been named or elected, the incorporators may adopt initial bylaws. If neither the incorporators nor the Presidency of Presidency have adopted initial bylaws, the members may do so.

(2) The bylaws of a nonprofit corporation may contain any provision for managing and regulating the affairs of the nonprofit corporation that is not inconsistent with law or with the articles of incorporation.

So, your non-profit bylaws are the rules with which your organization is governed and managed. You can't incorporate without them and it wouldn't make sense if you could!

FILE ARTICLES OF INCORPORATION

Once you and your Presidency believe everything's in order and you're ready to form the non-profit in the eyes of the law/public record, you'll have your incorporators sign and file Articles of Incorporation (section 7-122-102) with Colorado State. Please, do not try to take this step prematurely as it will only end up costing more time and resources.

The form is going to require original signatures and ask you to declare some of the basics of your non-profit: name, registered agent info, Presidency info, mission/purpose statement, etc. Filing Fee: \$50

START A CORPORATE RECORDS BOOK

What we're referring to here is a physical, often very nice-looking book, folder or binder where copies of critical pieces of paperwork are kept and managed.

And yes, that's along with the many modern ways of tracking and compiling information on your non-profit. They're somewhat of a corporate formality, but extremely common and highly-advised.

You can pick one up at pretty much any office supply store or online through Amazon of course, but we're huge fans of savvy-sleek Corporate Kits which

include gorgeous records books, binders, blank certificates and more which you can brand for as little as \$99.

CONDUCT AN INITIAL MEETING

For your first meeting assemble incorporators/Presidency and get ready to establish the foundation of your non-profit. Be sure to record “minutes” of the meeting and all attendees and have it signed by Presidency for your records book. Topics you’ll cover will vary:

- Voting on the appointment of critical officers;
- Voting on and approving/amending bylaws;
- Establishing a tax year as well as an accounting period;
- Approving initial transactions, committees, and more.

If you found the bylaws template useful, check out a similar Corporate Minutes Template you can also customize and use to provide initial structure until you and your Presidency get the hang of things should it be necessary.

GET AN EIN

An EIN is very straightforward. It’s a 9-digit identifying number like a social security number but for business entities including non-profits. You’ll use it to setup a bank account and hire paid employees if needed, then the appropriate agencies will use it to track your financial activity.

The quickest and easiest way to get one is by submitting a request directly through the IRS Website. Filing Fee: FREE

HANDLE LICENSING & EXEMPTIONS

Now’s the point to ensure your non-profit is 100% compliant in terms of not only licenses/permits, but state and federal taxes. You should be able to apply for tax exempt status now that the corporation is established.

- Download IRS FORM 1023 – Application for the Recognition of Exemption under Section 501(c)(3).
- Or Form 1023-EZ – streamlined form but must be under \$50k annual gross receipts and \$250k in assets.
- Bookmark the CO Attorney General’s page and Dept. of Revenue to get more state-specific info.
- If you need help, check out Business License Research packages that take care of some legwork.

Two other great resources we think it would behoove you to bookmark are the Denver Small Business Administration office and Colorado Business Express because there's no end to the possibilities when it comes to the marriage between business and non-profit communities.

SETUP A BUSINESS BANK ACCOUNT

First, make sure that no other accounts of any kind or any other income/expense streams of data get mixed in! This is a costly and completely avoidable mistake for too many non-profits stumble into. Secondly, do some homework and research different options between local, state, and federal banks along with credit unions.

Don't be too quick to decide here! The amount of costs/savings per year from one bank to the next, relative to their other services, is a critical consideration. If needed, check out this brief breakdown of Non-Profit Accounts to gain a better understanding of what's involved.

NEED HELP?

If you'd like help forming a 501(c)(3) Nonprofit in Colorado, we highly recommend considering Harbor Compliance for personalized top-to-bottom nonprofit formation and obtaining IRS 501(c)(3) status. They handle everything on your behalf and be on-call for questions you have. If you'd like more info, [visit their website](#).

Source: <https://startupsavant.com/how-to-form-a-nonprofit-in-colorado/> Visit website for all highlighted links in this white paper.

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