



P R E C I S I O N

NTMA CHAPTER START-UP GUIDE

National Tooling & Machining Association
9300 Livingston Road
Fort Washington, MD 20744
301.248.6200 phone
301.248.7104 fax
www.ntma.org

NTMA CHAPTER START-UP GUIDE

PHASE 1..... 3
PHASE 2..... 4
PHASE 3..... 6
PROCESS FOR FEDERATING AN NTMA CHAPTER..... 6

APPENDICES

Appendix 1..... Organizational Documents Checklist
Appendix 2..... Sample Chapter Mission Statements
Appendix 3..... National/Chapter Dues Schedules 2008
Appendix 4..... Chapter Dues Rate Summary List
Appendix 5..... Sample Chapter Bylaws
Appendix 6..... Chapter Rules & Guidelines
Appendix 7..... NTMA Code of Regulations (National Bylaws)
Appendix 8..... Sample Chapter Officer Job Descriptions
Appendix 9..... Chapter Administrative Duties
Appendix 10..... Chapter Administrative Duties/Salary Table
Appendix 11..... Sample Petition Letter to the Board

This guide contains outlines and checklists that will guide you through the successful formation of a local chapter. Additionally, the NTMA National Staff is ready to assist you at any time. If you should have any questions regarding any material throughout this manual, please contact Alida Berman, NTMA, 800.248.6862.

Why Form a Local NTMA Chapter?

A local NTMA chapter is a resource for networking, apprenticeship and training, education, developing professional opportunities, legislative representation on Federal/State/Local matters, working closely with suppliers and distributors, and strengthening our industry.

Interacting within a non-competitive environment, members are able to share information and learn from each other's experiences.

NTMA Chapters can offer...

- **Management Education Programs**
- **A Nationally Recognized Apprenticeship and Training Program**
- **Increased Political Influence**
- **Timely, Industry-related Information**
- **Access to Local, State, and National Resources**
- **Provide the framework within which members can share knowledge, build business relationships, and work together toward a common goal**

The combination of these products and services offers precision custom manufacturers the opportunity to improve their skills, save their companies money and contribute to the advancement of the industry.

Establishing a Local Chapter

When you begin organizing a local chapter it is no different than setting up a business. It requires three things: *Planning, Organization, and Commitment*

Phase One

1. Do an Analysis of your Market – Is there a group of precision custom manufacturers in your area interested in forming an association? Are there already well established associations in your area that serve this market? Could an NTMA chapter offer more or complementary services?

2. Examine NTMA – Does it offer the products and services that precision custom manufacturers (pcm) in your area are looking for? A basic question to ask is “As a pcm, what are your primary industry concerns?” If

- Difficulty finding skilled workers
- Difficulty growing their business
- Increasing their profit margins

are some of the responses, then proceed!

Phase Two

1. Form a Steering Committee – The Steering Committee lays the foundation for the chapter, establishing its mission, goals, objectives and organizational plan. This Steering Committee should be a group of precision custom manufacturers, minimum of 5, who are committed to the cause. Appoint one member of the Steering Committee to be responsible initially for keeping the project organized. [Appendix 1](#) is a checklist of Organizational Documents that may be useful.

2. Establish a mission, goal and objectives – “What do we want to do?” The answer to this question defines the chapter’s mission and goals. These goals will be your guide when making important structural decisions concerning the chapter. Some sample mission statements from other NTMA Chapters can be found in [Appendix 2](#). Most importantly, however, is that your mission statement be reflective of what you actually intend to be.

3. Chapter Territory – Your chapter’s territory is determined by location. The chapter’s territory should encompass one or several counties within the area. This is usually a 40 to 50 mile radius. Determine an area that will contain a viable number of contractors.

Using a small map, draw the chapter boundaries and include a copy with your NTMA materials.

4. Select A Chapter Name – Include NTMA and some mention of your geographic location in your chapter name to reflect your affiliation with the national organization and your local identity. Example Northwest Pennsylvania Chapter, NTMA.

5. Establish a Mailing Address – A steering committee member’s office can serve as the temporary mailing address for the chapter. A telephone number should also be determined. Consider a chapter cell phone for this purpose – it assures portability. Most chapters now have an e-mail address as well.

6. Secure initial funds – NTMA does not have funds earmarked for chapter development. However, upon request, supported by a strategic plan and business plan, NTMA will consider providing an initial start up grant. (Designate a treasurer to open a bank account to record receipts and disbursements.)

Draft a budget, which will be necessary for the chapter to accomplish their goals and maintain the chapter. There may be some sample budget materials available through the Chapter Development office of NTMA if you need assistance in this area.

7. Set the fiscal year –National’s fiscal period is January 1 through December 31. All chapters should have fiscal periods consistent with that of the National Association.

8. Consider the Chapter Dues - Discuss a dues schedule that will support the chapter budget. The annual dues schedule must either be a flat rate or can be a percentage of the national rate. The committee should bear in mind the size of the member companies as the size determines the national dues rate. [Appendix 3](#) is a detailed set of national/chapter rate schedules and [Appendix 4](#) is a summary list of dues rates charged by other chapters nationwide.

Consider the funding level the chapter will need to operate and accomplish its mission. If it starts under-funded, it is very difficult to raise the dues level at a future date.

9. Prepare Chapter Bylaws – The Bylaws set forth the chapter name, rules of operation, membership eligibility, meetings, officer elections and voting rights. A sample copy of bylaws is included in [Appendix 5](#). Your Bylaws will need to conform to requirements by your State and your National organization. Legal counsel may be necessary to prepare these documents properly. Your State’s Secretary of State web site as well as the NTMA national office can usually provide

additional resources with regard to this step, including directing you to advice on preparing bylaws.

10. Create A Prospect List – Gather the names, addresses and telephone numbers of prospective members from your steering committee members, or commercial sales lead sources such as Dun & Bradstreet or Sales Genie. NTMA National can help you generate a list. Use your prospect list for inviting potential members to your meetings.

11. Select a Chapter Attorney – Chapter should select and develop a close working relationship with an attorney. Consider using an attorney used by one of the steering committee members. This attorney could also be an associate member.

The chapter attorney should be willing to invest time and effort to the chapter. He/she should attend chapter meetings, advise the board of directors and officers, and could make brief presentations about legal developments in the construction industry.

12. Incorporating Your Chapter – Consult your chapter attorney about the tax-exempt status application and the chapter incorporation procedures. The information contained here is provided as a general guideline and does not constitute legal advice.

An NTMA chapter must be incorporated as a non-profit corporation within the state of its operation. Please retain legal counsel to ensure that your chapter complies with all appropriate regulations and receives all the necessary documentation.

Incorporation has several advantages vital to the success of your chapter, including:

A. Officers and members of an incorporated entity generally are not held personally liable for any damage arising from an act of the corporation.

B. An incorporated chapter has the legal standing to act for all its membership; therefore group programs are easier to sponsor.

Use the NTMA Chapter Rules & Guidelines Handbook ([Appendix 6](#)) when drafting your Articles of Incorporation & Your Bylaws. You will find recommendations, for instance, on when to have elections (October), etc.

13. File for Tax-Exempt Status – As with incorporation, NTMA strongly recommends that you consult your chapter attorney, and/or have them complete transactions regarding the tax-exempt status application.

When organized and documented correctly your NTMA chapter will be exempt from federal income tax under section 501 (c) (6) of the Internal Revenue Code, which applies to business leagues, chambers of commerce and other similar organizations, including trade associations. These forms may be found at your local post office, tax service, or IRS office or web site.

14. Information Tax Return – The IRS now requires all nonprofits to file an annual Form 990. The Form must be filed by the 15th day of the 5th month following the end of the chapter's fiscal year. Many chapters form a professional relationship with a CPA to assist with chapter matters in a similar manner to that of the chapter attorney.

15. Annual Report – While this may vary from state to state, more than likely yours will require some kind of annual filing or report in order to continue operating as a nonprofit corporation.

16. Develop Letterhead Stationery – Work with your local printer or a creative volunteer to design stationery for your chapter.

Phase Three

Planning Your First Meetings

Organizing the smallest details well in advance will guarantee that your new chapter will host an informative and inspiring first meeting. The following task should be addressed prior to your event:

1. **Date, Time, Location** – Select a date so that you have time to choose a convenient location, arrange speaker or program, and send out invitations to prospective members. NTMA recommends no less than three weeks.
2. **Invite Prospective Members** – Mail a letter of invitation to prospective members requesting that they attend your meeting. Include the date, location and time of the meeting. Emphasize in a few words how their participation in your chapter will benefit their business and the industry as a whole
3. **Prepare a Written Agenda** – An agenda will help you identify and plan how the meeting will run and who will participate. NTMA National staff may be available to assist with the content of your meeting.

Tips on the Chapter Meeting Agenda

- a. **Welcome** – A Steering Committee member should make Welcoming remarks and introductions. Create a comfortable environment and set your guests at ease.
- b. **Provide Refreshments** – Providing simple refreshments and beverages helps to create a comfortable atmosphere.
- c. **Chapter Structure** – Discuss the chapter's structure and plans for upcoming programs and events.
- d. **Questions** – Provide time for questions and networking.
- e. **Announce the next meeting date.**

Process for Federating an NTMA Chapter

1. Organize a meeting with all the members in the area attending so that a vote can be taken regarding the desire of the members to start an NTMA Chapter.

While organizing, it is recommended that the group meet and essentially function as a chapter before officially federating (Phase 3). This will be a good test to see whether the chapter will be viable. Chapters will be expected to operate within the established NTMA *Chapter Rules and Guidelines Handbook* (Appendix 6), continually striving for organizational excellence.

2. NTMA National bylaws (Appendix 7 – NTMA Code) stipulate that at least eight members are needed to petition for recognition as a chapter. We recommend at least 15-20 so that there are both “planners” and “doers.”
3. This original planning group *must begin with a strategic plan*. The group must have, in writing, a vision statement, a mission statement, a set of strategic goals, and a plan showing how they will achieve these goals. This package should be submitted prior to or at the time of

petition. If the chapter is requesting a start-up grant from National, it will be required at that time.

4. All regular members of the local chapter must also be members of the national association per NTMA National Bylaws.
5. All of the members of the local group should be given the opportunity to vote on establishing a chapter, either at an organizational meeting or by letter ballot.
6. Make sure that the members understand that their dues will increase if a chapter is formed so as to accommodate the combined chapter and national dues. NTMA will collect the chapter dues by simply adding them to the current national dues per company and would then send a quarterly chapter dues revenue check to the designated chapter revenue recipient (usually the Treasurer).
7. Select initial officers. [Appendix 8](#) provides samples job descriptions. Additional samples are available. Contact the NTMA Chapter Development office.
8. Select a Trustee. The Trustee must be a member of NTMA.
9. Establish any committees necessary to support the chapter goals, such as an apprenticeship committee, program committee, and a membership committee.
10. Discuss the feasibility of hiring a Chapter Executive. [Appendix 9](#) provides a list of duties typically performed by the Chapter administrative staff. [Appendix 10](#) will give you an idea of how much you can expect to budget, depending on the duties you assign.
11. Prepare a letter of petition for chapter recognition along with a copy of the chapter bylaws, list of member companies, chapter officers, and a copy of your incorporation papers, to NTMA's Chief Operating Officer. [Appendix 11](#) is a sample petition letter.

Assuming the bylaws are in order, the petition for chapter federation will be voted on by the NTMA Board of Trustees at their next Board meeting. Someone from the proposed chapter present at the Board meeting at the time formal recognition is approved. Ideally, it would be the President/and or Trustee. Application packages must be submitted to NTMA National at least 30 days prior to the meeting.