

These dues are often fixed on a sliding scale ranging from student members set at a minimal 50 cents or a dollar a year all the way up to "Patrons" or "Benefactors" who might be asked to contribute a tax-deductible \$100 or more annually. Individual and family memberships most frequently are in the \$2 to \$5 range per year.

A revenue-producing source of funds can be tapped among the local business and manufacturing community by establishing corporate membership dues on a graduated scale according to the size of the business organization.

As an example, one successful Sister City operates with association by-laws that fix individual dues at \$2 and family memberships at \$5 a year, sets up a Benefactor category at \$100 per annum and defines dues for organizations "based on the size of its current membership or the number of employees in a business enterprise as follows: \$25 for up to 50 members or employees; \$50 for 51-100 members; plus \$15 for each additional 50 members or employees or fraction thereof."

In summary, dues, by-laws and regular meetings provide a sense of organizational identity as well as the funds required for normal operations. However, because your Sister City Committee is incorporated and has by-laws, this does not mean that contributions to your program are automatically tax-deductible. Every Committee, if tax-deductibility of monies and goods for your program is anticipated, should file for a 501 (C) (3) ruling from the Internal Revenue Service. The Town Affiliation Association has developed a model set of Articles of Incorporation and By-Laws that meets the standards set forth for a tax-exempt organization by the IRS in the Forms and Documents Appendix at the end of this handbook.

Remember, many corporations and most foundations are prohibited by their own corporate laws from giving funds or goods to an organization that does not have a tax-exempt status granted by the IRS. Also, a good deal of grief, if not the actual termination of your program, can be saved by solving this problem in the initial stages of your program before you run into trouble.