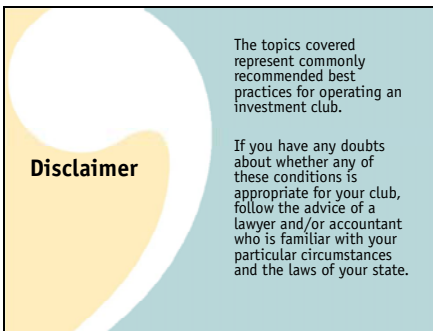




Tonight we're going to talk about your club operating procedures. What are they? What should they cover? When should they be changed? Etc.

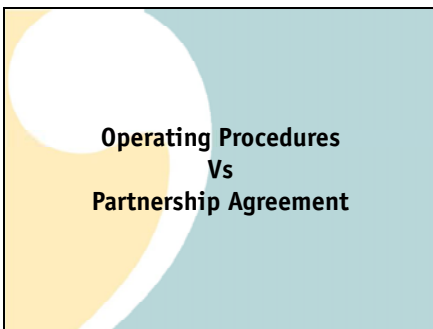


We're going to talk tonight about a sample set of operating procedures that a typical investment club using bivio might find adequate to adapt for their needs.



The topics we're going to cover represent commonly recommended best practices for operating an investment club.

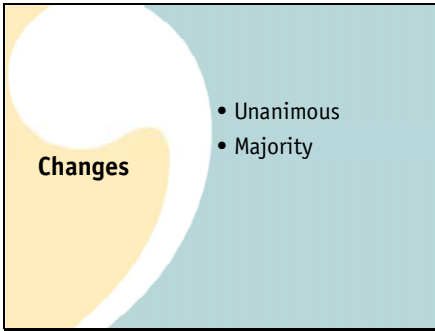
If you have any doubts about whether any of these conditions is appropriate for your club, follow the advice of a lawyer and/or accountant who is familiar with your particular circumstances and the laws of your state.



Your partnership agreement lays out the fundamental legal and accounting framework under which your partnership will operate.

Operating procedures set out the rules by which you run the club from day to day. These are more flexible and may be changed from time to time. They will include specifics like the amount of monthly contributions or the specific schedule of club meetings..

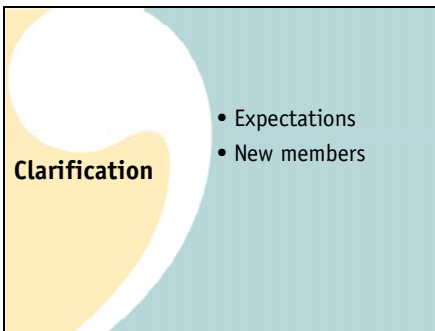
For example, the Partnership Agreement might state: 'Partners shall make regular contributions to the partnership on the date and in such amounts as the partnership shall determine and specify in the Operating procedures. The Operating procedures would then specify what that amount is and when contributions should be made.



Typically Operating Procedures are easier to change than the Partnership Agreement.

For example, changing a partnership agreement would require a special meeting and the unanimous consent of all the partners whose capital accounts total at least 2/3 of the value of all the capital accounts.

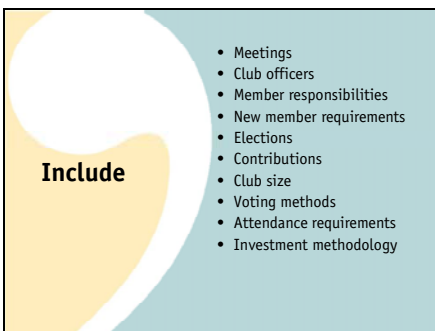
While changing operating procedures only requires a majority vote of the partners at any club meeting which meets the general requirements for conducting club business.



Your Operating Procedures let you all clarify how you want to run your club.

Discussing them when you start helps you all make sure you are all on the same page in terms of your expectations for your club.

They also help you to communicate to potential new members. It's important that they understand exactly what they are getting into when they join your club.



Typical specifics usually addressed in operating procedures are:

Specific Date, Time and place of meetings

Specific list of officers and officer responsibilities

Specific details of member responsibilities

New member requirements

When officers will be elected

Amounts and method of payment of member contributions

How many members you want to have

What methods you will use to take votes

What your attendance requirements are

What methodology you are going to use to select investments

Things you won't find

- Late fees
- Having to “make up” late contributions

In our recommended Procedures, you will not find things like

Late Fees

In our experience, late fees don't help anything. If members don't want to participate, everyone should accept that being in an investment club may just not be right for them at the time.

Any requirements for members to “make up” late contributions. If a member misses a contribution, they do not increase their ownership in the club. It's just like owning shares of a mutual fund. You only receive the benefit of shares you own at the time the income occurs. Making a contribution or purchasing shares at a later date does not entitle you to that income later.

[Help Page](#)

Tonight I am going to discuss an annotated copy of a sample set of operating procedures which you will find on our help page. We will be providing a Word version of this document soon also.

You can get to the help page by clicking on the Help link you will see in the upper right corner of your screen when you login to bivio or by going to this link:

<https://www.bivio.com/site-help/bp/StartPage>

Scroll down to section O and look for the link to the Operating Procedures.

Each topic which will be discussed on the following slides, is also available as a link from each section of the Sample agreement so it will not be reproduced here. Just click on the “things to consider” link you will find next to each section in the Sample to get more insight into the topic it covers.

Club Officers (Other as Applicable)
The club officers will consist of a president, one or more vice presidents, and treasurer whose responsibilities are outlined below:

A. President:

- Shall preside at all regular and special meetings of the Club and act in case of absence of the Club as follows:
- Shall convene and adjourn meetings for the Club and carry on same if called
- Shall report to members for the next Convention.
- **SHALL DISSEMINATE THE FINANCIAL ACTIVITY OF THE MEMBERSHIP AT EVERY MEETING AND BY E-MAIL.**
- Shall sign contracts, checks, and other papers for the Club as they may occur.
- Shall be authorized to take action in the absence of the club as follows:

B. Vice President:

- Shall take the place of the president in the absence of the president, and shall exercise the powers and responsibilities of the president in the absence of the president.
- Shall convene and adjourn meetings for the Club as they may occur.
- Shall report to members for the next Convention.
- Shall be authorized to take action in the absence of the club as follows:

C. Treasurer:

- Shall keep a record of all Club funds and shall report to members at every meeting.
- Shall keep a record of all Club funds and shall report to members at every meeting.
- Shall report to members for the next Convention.
- Shall be authorized to take action in the absence of the club as follows:

D. Secretary:

- Shall keep a record of all Club meetings and shall report to members at every meeting.
- Shall keep a record of all Club meetings and shall report to members at every meeting.
- Shall report to members for the next Convention.
- Shall be authorized to take action in the absence of the club as follows:



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Next Month

Cost Basis Reporting
What you need to know about
the changes coming up