

Printer Working Group

To be, or not to be.

And if to be, then how to be.

The Pros and Cons of Incorporation

Current Status

- The PWG is an unincorporated affiliation of companies and individuals interested in the development and promotion of standards relating to the printer and peripheral industry.
- Has been meeting in various forms since 1991:
 - Network Printing Alliance
 - IEEE 1284
 - IEEE 1284.1

Advantages of Current Status

- Low organizational overhead
- No dues or membership fees
- Complete flexibility in direction and actions

Disadvantages of Current Status

- Does not legally exist
 - It only exists for one week per month
- Cannot own anything
 - Copyrights to developed standards
 - Equipment (overhead, extension cords, etc.)
- Has no long term standing
 - May reduce the perceived value of the work effort

Other Disadvantages - Liability

- Without a corporate shell, all attending members and/or companies can be held liable for damages.
 - This can be the result of failure to fulfill contractual obligations relating to PWG meetings
 - Personal injury. If a member gets hurt or hurts or does damage to someone or something, then the members/companies may be held liable
- Currently the party that sets up the PWG meeting assumes a large liability if we have a cancellation.

Types of Incorporation

- For-profit
 - Standard C corp
- Non-profit
 - Public benefit corporation
 - Mutual benefit corporation
 - Religious
- All non-profit companies are tax exempt
- Must apply to the IRS and receive approval to be considered a non-profit organization.

Non-profit Charitable Organization

- 501C3 Charitable Organization
 - Tax free
 - Eligible for charitable donations
 - Companies or individuals could donate equipment, money or services and receive a tax write-off as a charitable donation.
- 501C6 Trade Association
 - Tax free
 - Not eligible for charitable donations
 - Companies would expense donations and meeting fees. No charitable donations.

Costs Associated with Incorporation

Incorporation	
- Legal Fees	\$ 2,000
- Corp. Tax	\$ 600
- Misc Fees	\$ 200
Non-Profit Filing	
- Legal Fees	\$ 3,000
- Buffer for Misc	\$ 1,000
Total Cost	\$ 6,800

Organization and Requirements

- All corporations must have:
 - President, Secretary, CFO
- Board of Directors (BOD)
 - Minimum of three directors
 - Can have as many as the Articles of Incorporation allow. We decide.
 - Can have permanent and elected or appointed directors
 - Term up to 3 years. May be staggered terms.
- Must meet at least once per year

Operation

- Board Controlled Group
 - The permanent directors are named when the organization forms.
 - Additional directors may be appointed by the BOD
 - Additional directors may have term limits
 - The BOD is responsible and controls the BUSINESS of the organization.
 - The BOD does NOT control work relating to the standards activities of the group.
 - Members have voting rights within their sub-committee but not relating to the business of the organization.
 - Easier to setup than Member Controlled groups
 - Can change control to a Member Controlled group

Operation

- Member Controlled Group
 - May or may not have any permanent directors
 - Members vote and elect directors
 - The BOD is responsible for the organizations business
 - The members are responsible for the BOD
 - May have membership levels
 - More complicated bylaws than a Board Controlled group
 - Cannot change to a Board Controlled group once setup this way

Benefits of For-Profit Corporation

- No liability for individuals or member corporations
- Can own and maintain rights to developed standards and documents.
- May be perceived as more stable and reliable as an organization.

Additional Benefits as a Non-Profit Corporation

- Better industry perception than a for-profit organization
- May be easier to get participation in a non-profit group
- Tax exempt status does not pay \$600 per year minimum tax
- Not required to file state or federal tax returns
- Only files a tax report
- No shareholders.
- Reduced corporate overhead

Questions?