

Event Q & A

Q- When will this go into effect?

A- This will go into effect immediately for all 2018 event.

Q- What will the process be for events already posted to the website?

A- Events that are already on the calendar can choose to still have SOTF handle funds if they \$4999.99 or less, but they will need to follow the rules outlines by events that are \$5000 and above. To summarize, they will need to turn in receipts in order to receive payout or we will need an invoice from the vendor so we can pay them directly.

Q- What will go out to members, when, how?

A- The complete guide, WITH the licensing agreement and budget templates will go out to all members on November 15th. They will be instructed to send any questions they have about the event changes to events@sistersonthefly.com. If you happen to catch any comments or questions on Facebook, please ask them to email those questions to the address above. I will be fielding those questions. It will go out on all of the Facebook pages via Kris and Ceci will also post the announcement to the website.

Q- After reading the new event info, I had a question regarding the liability insurance. Does the SOTF insurance just cover property? In the event some one was to get injured and unfortunately decided to sue the hostess, is she covered? This is a big concern of mine as I heard that the SOTF insurance does not cover this.

A- Sisters on the Fly, Inc. Insurance Liability Insurance Policy Liability insurance covers Sisters on the Fly, Inc. (SOTF) official events held within the United States; i.e. events with website registration and for which insurance waivers have been completed. The primary use of the policy is to provide vendors protection in the event of property damage. The policy provides a small medical reimbursement to a non-sister who sustains damages. Ultimately, the policy is in place to provide liability coverage if SOTF is named in a lawsuit. If anyone (a sister, hostess, etc.) is named individually in a lawsuit, typically her homeowner's or renter's insurance policy would provide her individual coverage. If individually concerned, please check with your personal insurance company.

A2- Each of the following is also an insured:

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

Additional Insurance Questions:

The following email (black font) was sent to SOTF. SOTF's response to the Wrangler (blue font) is being shared here as well.

After receiving the email from SOTF regarding whether a sister hosting an event is covered under the SOTF insurance, I did some further inquiring with my own insurance agent.

*** Thank you for following thru on SOTF's recommendation to pursue discussion with your personal insurance agent. Each policy bears its own wording which may/may not coincide with the intent of the hostess putting on her own event as well as other parameters of the event. Being knowledgeable of own's personal insurance position is wise, whether attending or hosting (independently hosting an event or hosting a corporate event). For simplicity sake in this email, I will refer to events being either "independent" or "corporate".

As you know, SOTF informed me that SOTF insurance only covered property and not the hostess,

*** The SOTF liability policy covers liability (SOTF, volunteers, etc.); medical (small dollar coverage as anything major would result in a lawsuit in which SOTF's liability clauses would kick in); and property (assurance to a vendor that the property rented for the event is covered if damaged).

and if in the unfortunate case, a sister attending an event is injured

*** SOTF has submitted an application for Accident Insurance coverage, such is currently in underwriting & SOTF is awaiting the response. The accident coverage would apply to sisters attending an official SOTF event, i.e. an event for which she has also signed a liability waiver.

and decides to sue the hostess she is NOT covered and would need to use her own homeowners liability insurance.

If the event is a "corporate" event and the hostess is acting in a volunteer position, she is covered by the SOTF liability policy. If the hostess is named individually (or in addition to SOTF) in a suit, the SOTF liability policy covers her. I am not a lawyer, so would assume that either the SOTF lawyer would pursue dismissing the hostess based on the SOTF policy clauses; or, in the event that the hostess is required to hire an attorney to dismiss her based on the SOTF policy clauses, then the SOTF policy would reimburse that hostess's attorney fee.

If there is a suit involving SOTF &/or the hostess of an independent event, SOTF's liability policy covers SOTF. That hostess, depending on her event parameters, has the potential to be covered by her homeowner's/renter's policy, by her Umbrella Insurance Policy, by an Event Policy, etc. By hosting an independent event, that hostess would be taking on the responsibilities (risks & rewards) relating to a casual or a business event.

... Assume that she's hosting a casual gathering at her home and she has some combination of stairs, dogs, horses, creek or irrigation ditch on her property, etc. She would most likely have a homeowner's policy covering her guests. As the level of risk rises, i.e. add horses, pigs, water features, liquor, etc., she would most likely have an umbrella policy as well.

... Assume that she's hosting an independent event, whether or not she results in producing a profit, she should know/seek insurance coverage based on the risks of her event.

My personal agent informed me that if I am hosting an event, my homeowners liability insurance DOES NOT cover me and that I would need to get an "Event Policy" that would cost approximately \$150 - \$175 out of my pocket.

*** One must consider the risks/rewards of obtaining an event policy; i.e. what types of events are being hosted, what are the potential risks of damage. If the premium is \$150 and 50 people are attending the event, \$3/head might be a justifiable event cost. Again, each event is different & has its own risks. If, based on the type of event (zip lining the Grand Canyon, sky diving, white water rafting, etc.) the Event Policy premium is \$500 and only 5 are participating, the hostess needs to decide if she can justify the event fee to cover her costs. A \$3 million umbrella policy might run around \$600. For an event with 200 participants, \$3/participant could well be worth increasing the event fee.

Now I realize that I can pass this expense on to the attendees, but it truly infuriates me that SOTF does not cover me while I am promoting and volunteering for this company.

*** If the hostess is putting on a corporate event, thus acting as a volunteer, she is covered by SOTF's liability policy.

In all honesty, I cannot, as a Wrangler, encourage a sister to put on an event until changes are made in the SOTF liability insurance that will automatically cover her.

*** Volunteers are covered. Hostesses of casual events, where no money is exchanged for goods/services, are covered; as well as hostesses of corporate events (they're acting as volunteers). Hostesses for independent events bear the risk & rewards of their operating decisions.

My other concern, is now, the hostess will have to check to see how running the fee money through her own personal bank can influence her risk of increased income tax responsibility.

*** Income tax responsibility is the same for everyone on the Federal level. State level is per State regulations (be it income tax, business & operations tax/fees, etc.). If monies are collected and a profit is produced, such business operations should be reported on a Federal Income Tax Return.

*** There are regulations relating to the taxation of "hobby" income/losses, reporting for monies collected, the intent of the operation, etc. Such is why SOTF requested that each independent hostess have discussion(s) with her tax preparer; so she would have knowledge of her filing/reporting requirements before, rather than after, hosting her event.

*** If the hostess is putting on a large event, she has the option of opening a separate bank account to flow thru the receipts and disbursements to make tracking/reporting easier. She also has the option to form a separate entity to run the operation, to request a separate Tax Payer ID for processing her operations (whether or not she opts to operate it as a separate entity or thru her Schedule C). If the event is reported on a Schedule C of her IRS form 1040, she has (or should have) given her tax preparer the information necessary to justify any questions (be it from a real estate lender, IRS/State auditor, etc.) relating to any changes in her financial position.

Why should that volunteer hostess need to even worry about this, as I feel this should all be handled through SOTF.

*** Sisters now have the opportunity to host their own/independent events with the related risks & rewards. If the hostess of an independent event makes a profit, only she has the ultimate authority to direct her funds; i.e. make a donation to her choice of charity, retain the monies, refund monies, etc.

This is their company and we are all promoting and encouraging new members and that should be our main interest.

*** Agreed and well stated; thank you. SOTF is grateful for the sisters that host events, be it independent or corporate events. Many sisters have no desire to host, others want to go big or go home, and yet others want to keep their event small. SOTF is doing its best to remain flexible, keep its dues reasonable, provide services/opportunities, and stay true to its core purpose of outdoor adventures and camaraderie. In recent years, thanks to all involved, SOTF has grown substantially. It is doing its best to keep up with technology & regulations, both of which are forever in a state of flux.

I also feel that the hostess should be able to decide which charity any extra funds left over from her event should go to and not go to SOTF.

*** By hosting her own independent event, the hostess has every right to direct her business operations receipts and disbursements.

*** For corporate events, the hostess or hostess committee is encouraged to provide the name, address and tax payer ID number of the 501(c)3 charity that they would like to see a contribution made to. Such information will be accumulated and held for year-end tax planning. As with any individual, operating needs must be met in addition to reviewing any charitable contributions and other tax planning considerations.

That one is my personal opinion.

*** Personal opinions, suggestions, comments, queries are always welcome. Two heads are better than one; we do our best to cover all the bases.

I look forward to hearing from you regarding my concerns.

*** Please let us know if you've any additional questions; our door is always open.