

Before Winning

From Worldcon Runners' Guide

Contents

- 1 Before Winning
 - 1.1 Guests of Honor
 - 1.2 Mailing address
 - 1.3 Incorporation
 - 1.4 Board of Directors
 - 1.5 The Chairman

Before Winning

Although this is not a guide to bidding for a Worldcon, the role of a Worldcon really starts before the win is ratified by the business meeting. Ground should be laid in the areas below.

Guests of Honor

Surprisingly, a Worldcon is not obligated to have guests of honor, or even to announce their names as of winning. At least one Worldcon has won without a slate of guests of honor, and named them later on.

It is considered highly tacky to reveal the names of guests of honor before winning. This is because of the possibility of people voting on the basis of who the guests will be, and the resulting insult to the guests of the losing bids.

One tradition that has been ignored by several Worldcons is: the guests should not have been Worldcon guests in the past (in that category.) The reasoning is that there are only so many Worldcons, and that the older pros and fans are dying. To repeat a guest of honor is to, on the one hand, imply that the Worldcon committee felt that all the people worthy of being honored in that category have already been honored, and on the other hand to let another year go by without a new person being honored for many years of service.

Two exceptions to this tradition are:

1. a situation such as a fan who was honored who has since turned pro, and who could now be honored as a pro GoH,
2. Toastmaster, which is a "working" position (albeit one of high visibility).

A useful rule of thumb when selecting guests is that the fan guests (of whatever stripe) should have been active in fandom for at least 20 years, and the pro guests should have been active for at least 30 years. (the difference is because those who turn pro have an incentive to stay active longer)

The number of guests of honor to have is up to the individual Worldcon committee. Tradition used to be that a Pro and Fan guest were sufficient. In recent years, some Worldcons have added artist guests and editor guests. Many non-US Worldcons have separate slates of guests (a US slate and a non-US slate.) There is no one "best" recommendation here as to what mix of guests your Worldcon should have, other than the general precaution that the more guests total that you have, the more the honor is diluted, and the less that your convention can focus on honoring people who have given service to the field.

Once you have done the above initial screening, as a step prior to the actual choosing, the following should be discussed as to how they apply to the various nominees on the "short list" for final consideration:

1. Cost considerations
2. Theme for the Worldcon or for Programming
3. How the 'mix' of Guests of Honor will work together
4. What the chances are that the honoree will become the target of a feud, **because** they have been so honored
5. The health of the individuals
6. The ease of working with the individuals
7. Honor individuals your core committee want to honor

Mailing address

Your convention should have a **stable** mailing address, preferably a post office box.

A possible mistake is to have the PO Box in an area of town that is only easily accessible by the person who answers mail. That mailbox will be active for probably six years or more (including the bid and at least a year after the con), and the person who picks up the mail at the start of the bid may quit or be promoted to another position. The PO Box should therefore be centrally located in your headquarters city or to several members on your committee.

A **COMMON ERROR** is to let only one person have the key. If that person fails to empty the PO Box promptly, there is no way to double check and the incoming mail can bounce back to the sender due to a full mailbox.

Incorporation

Before you filed, you should have incorporated or at least have had incorporation under way.

To not incorporate is a *disastrous error* because if there is a problem with the Worldcon and someone sues (either for money or because someone was injured) the Board of Directors will be individually and personally liable, and yes that means you can lose your house and car!

If you do incorporate, you gain what is called the "corporate shield." If someone sues, the most they can normally get is all your con's office equipment. However, under certain circumstances, the corporate

shield can be "pierced" and you do end up being personally liable again. These circumstances usually involve situations where the concom can be shown not to have taken "reasonable" measures to deal with a situation. We strongly advise that your committee contain an attorney with at least a bit of experience in corporate law.

With no shareholders or salaries, incorporating as a standard corporation has few advantages. Thus, in the US, one should try to incorporate as a non-profit entity.

Incorporation is usually done in the state the Worldcon will be held in. When filing, one should do so as a non-profit corporation in that state.

Once state incorporation is granted, a federal tax exemption should be sought.

The IRS has tightened its rules in recent years, and groups doing Worldcons need to be careful in their application.

Usually, a corporation for a Worldcon is set up for more than just the con itself. This is not so much for the IRS as it is for the fact that setting up a non-profit corporation involves a lot of work and hassle, and once you have a working corporation that has passed state and IRS scrutiny, it is likely to have uses beyond just running a Worldcon.

The type of corporation that is closest to a Worldcon is a 501(c)(3) non-profit corporation: "organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes...". The reasoning on this is that a Worldcon falls under the IRS rules for a private foundation as defined in 509(a)(2) — an organization receiving its income through a combination of donations, memberships, and merchandise sales.

In filling out a 501(c)(3) application, you *most definitely* should get copies from previous Worldcons.

Areas that need to be looked at carefully when filling out the application include Activities that do not appear at first glance to fall under the definition of 501(c)(3). The art show has often been questioned, largely because of the IRS' history with people trying to set up non-profit organizations to do nothing but run art fairs (on beaches, in malls, etc.) This is part of what the St. Louis group ran into in the famous case where Archon was denied a tax exemption. (Citation goes here, if Mike Glyer can supply it.)

Based on specific questions asked by the IRS of similar organizations in the past, we recommend some form of the following information should be provided to the IRS either as part of the corporate by-laws or in the filing papers themselves (whichever is most appropriate):

1. Admission will be open to the public.
2. Emphasize promotion of SF fantasy/literature and art (for that matter, arts in general.)
3. Emphasize one of the purposes is to educate attendees and the general public.
Note that top professional authors, artists, and scientists will participate in panels, lectures, and workshops. Authors and artists will be able to hone their skills.
4. Mention the Hugos (including their purpose), and note that no monies or remuneration are included in the awards.
5. Note that convention committee and staff are not paid, other than possible reimbursement of membership fees and reimbursement for reasonable and necessary authorized expenses.

6. Note that any surplus funds will only be used for 501(c)(3) tax-exempt purposes. If you intend to participate in the pass-along-surplus funds tradition, explain that.
7. Note that there are no similar for-profit conventions.
Describe media cons and how they differ ("show" versus "convention"), paid guests doing repeated presentations, heavy TV/media advertising, paid staff at upper levels, etc.
Worldcons: emphasis on a membership for entire con rather than a ticket for a single day, wider variety of programming and activities, literary orientation, guests not paid fees, tradition of refunding memberships to most program participants, regardless of professional or "star" status, accessibility of guests to the attendees, etc.

In actually **running** the corporation, you need to keep good and proper records in case of an IRS Audit (which has occurred with Worldcons.) Avoid things like the con making loans to corporate officers. Document expense reimbursement, and make sure they're for things that are deductible. Any 1099 forms that need to be issued should be issued.

Doing financially sound things (keeping books, balancing the checkbook, making decisions that an outside observer would consider reasonable and prudent for a corporation) that make sense in the normal running of the corporation will help things to come out all right in running the gauntlet with the IRS.

Board of Directors

Your con will need a Board of Directors, or Executive Committee, or whatever you want to call it. The makeup of this group will dramatically affect the shape of the convention.

Studies in military command and business organization have shown that the "ideal" reporting structure in an organization is to have no more than 9 entities reporting to any one individual (the ideal number is 7 plus or minus 2.) Boards of less than 7 tend to not have as much diversity of viewpoint; boards of significantly more than 9 tend to lose cohesion.

A key decision to be made here is how to map the divisions into the Board of Directors. Options include:

1. No divisions at all. Just a bunch of departments, and a small Board of Directors consisting of friends of the chairman.

This is a disastrous error, as it has historically proven to be a bad idea to have that many people reporting to the chairman. Even if the chairman is out of work, chairmen can only pay so much attention to things before they only start listening to the areas that are screaming loudest (and maybe not even those).

2. A Board that is independent of the divisions. Within this framework, either all divisions report to the board as a whole or each Board member has one or two divisions that are that member's particular responsibility.

The main problem with this approach is that it assumes you have seven high-experience people with lots of wisdom available in addition to the people you need to manage the divisions. And not many cities have the luxury of that many people with that much experience. In practice, this system tends to deteriorate into the Board members acting as super-division managers, thus adding a superfluous layer of management and possibly earning the resentment of the appointed division managers, who find they have less power and responsibility than they thought they would.

3. A Board that sort of matches the divisions, with each Board member having a responsibility for a division, but not necessarily being in that division or being the division manager. This has been used when the division manager proper lives far away and can't regularly make board meetings.

The problem here is that not all divisions may have the most eloquent spokesman available. It also results in the possible awkwardness of a subordinate who is on the Board outranking his division manager in some situations.

4. The Board matches the divisions. There is one Board position for each division manager, plus the Chairman and Vice-chairman (if any.) Corporate Counsel and Treasurer are not normally board positions, although they attend all board meetings.

Overall, this method seems to work best. However, there are three possible drawbacks that should be considered:

- a. Each board member is tempted by the possibility of acting as an advocate for his division's benefit to the detriment of the convention as a whole. This has happened!
- b. A person who is an excellent candidate for a particular division manager may be a very poor candidate for the Board because of a narrowness of vision. For example, a person who has only done film/video at cons is placed on the Board and has no idea of the problems of Art Shows and could care less about them. Situations like this have also happened historically.
- c. If there is a power struggle going on in the committee, after the initial divisions are set in place, some parties may push for new divisions to be created. This desire may be in part motivated not by a need for organizational neatness but by a desire to put another person from political camp X onto the board, thus shifting the balance of power.

Another issue is from how far away Board members should be recruited. The following methods have been used:

1. Local fans only, no non-locals need apply

Advantage: Easy to call meetings on short notice, Board members are probably already friends or have at least agreed to disagree on conflicting issues.

Disadvantage: Board may suffer from extreme lack of experience.

2. Pick an arbitrary radius, say a day's drive (circa 400 miles)

Advantage: Increases available pool, yet allows for relatively frequent meetings without destroying travel budgets.

Disadvantage: If not in an area with surrounding fan cities, does you little good.

3. Recruit nationwide

Advantage: Can use the best talent available.

Disadvantage: Difficult to get the entire board together for face-to-face on a regular basis; travel bills can be high. Local fans may feel shut out.

The Chairman

Whether you go with a strong chairman model or a weak chairman model, one thing is critical: the chairman's main job is to oversee the vision of the con as a whole, and to supervise the various fiefdoms that spring up, nudging and pushing them to plan properly and cooperate with each other. The chairman is also the primary voice of the convention, and should be at as many major conventions as possible during the course of planning for the Worldcon.

In general, no specific tasks should EVER be assigned to the chairman. The chairman is the person doing the big picture overview, and will not have time to do ancillary tasks. For example, the chairman of a Worldcon should NEVER be allowed to run the checkbook — that is the job of a treasurer and comptroller. Likewise, except at all-concom work sessions, the chairman should not be doing computer input.

Some of the responsibilities of the chairman include:

1. The chairman MUST be given 24 hours to read ALL publications going out from the concom. This includes ads, progress reports, flyers, program book, pocket program, etc.

For starters, there is a chronic problem among publications staffs with not being able to spell and not bothering with using a spell checker. In addition, many fans are, um, blissfully unaware of the political implications of what they see as a humorous item for a progress report (when in reality its publication will start a feud).

The chairman is going to be the #1 person people complain to when there are problems with a concom publication. If the chairman is going to take the blame, might as well give everything a proofread to insure nothing too egregious goes out to the world.

(Likewise, the chairman has veto power over web page contents.)

2. At many conventions, the chairman has veto power over ALL committee appointments, and also has the power to fire anyone.

BUT...

Appointments at the department head level are to be made by the division managers.

Appointments below the department head level are made by department heads, with approval of the division manager.

The chairman is NOT supposed to be out recruiting people at the department head level and below. The recruiting job of the chairman is to find competent division managers/directors and let THEM take it from there. If a person below the division head level is fired (regardless of by whom), the chairman's job is not to go off recruiting on his own, but to delegate the recruiting to the appropriate department or division manager, and to offer advice or help as THEY ask for it. (Hint: "micro-managing")

The chairman's power here is a check and balance against a neophyte department head being falsely impressed by an out-of-town pseudo-smof. Many fannish politicians talk a good game but are lacking in their ability to actually do the jobs they are volunteering for.

Firing a division manager should only be done with the approval of the Board of Directors.

Copyright © 2002 | Worldcon Runners' Guide
(<http://www.noreascon.org/users/sflovers/u1/wcrg/index.html>) | Table of Contents
(<http://www.noreascon.org/users/sflovers/u1/wcrg/toc.html>) | crg@sflovers.org
(<mailto:crg@sflovers.org>)

"World Science Fiction Society", "WSFS", "World Science Fiction Convention", "Worldcon", "NASFiC", and "Hugo Award" are service marks of the World Science Fiction Society (<http://www.wsfs.org/>), an unincorporated literary society.

Retrieved from "http://wcrg.conrunner.net/wiki/index.php?title=Before_Winning"
Category: Eighth Edition

- This page was last modified on 9 July 2009, at 20:29.