

## CHAPTER 1 – Getting Started

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*The success of an economic development organization and the economic development professional is dependent on a clearly defined structure and efficient office operational plan. Most organizations in North Dakota are structured as either Job Development Authorities (JDA) or Economic Development Corporations (EDC).*

-Carol Goodman, Executive Director CCJDA

### Organizational Structure

Job Development Authorities are county or city structures and may be created for a single entity or a joint organization may be developed to cover multiple entities. JDAs are created through a resolution by the Board of County or City Commissioners.

#### [North Dakota Century Code](#)

- [Job Development Authorities:](#) [Section 11-11.1](#)
- [Economic Development Corporations:](#) [Section 10-30](#)

Economic Development Corporations are started usually by people in a community or city and mostly follow the same regulations as a business corporation in addition to special codes specific to EDCs. Corporate papers must be filed with the North Dakota Secretary of State's office by those who are starting the organization. The following Century Code links identify the requirements for each type of organization.

No matter which type of organization you have, you will need:

- By-Laws
- Mission Statement
- Tax ID (EIN) number and
- DUNS number

## Organizational By-Laws

### **By-Laws example:      Job Development Authority**

#### **ARTICLE I.**

##### Duties of Officers

Section 1. Chairperson. The Chairperson of the Job Development Authority shall be the presiding officer at all of the meetings of the members of the Job Development Authority. The chairperson shall sign all deeds, mortgages, leases, conveyances, contracts, notes and obligations, and perform such other duties as are prescribed by the Job Development Authority. The Chairperson shall have the general power of management of the Job Development Authority and shall be authorized to sign all contracts, deeds, mortgages, leases, notes and other papers and conveyances as may be necessary for the transaction of the business of the Job Development Authority in accordance with Section 11-11.1-03 of the North Dakota Century Code.

Section 2. Vice-Chairperson. The Vice-Chairperson of the Job Development Authority shall exercise the functions of the Chairperson in the event of his or her absence or of his or her disability to act for any cause.

Section 3. Treasurer. The Treasurer of the Job Development Authority shall keep accurate and complete records of all receipts and disbursements and shall be custodian of all funds of the Job Development Authority subject to control and of the Job Development Authority. The Treasurer shall deposit all funds of the Job Development Authority with the County Treasurer of in such bank or banks as shall be designated from time to time by resolution of the Job Development Authority; and he or she shall make reports of the financial condition of the Job Development Authority monthly and at such other times as may be required by the Job Development Authority. The Treasurer shall countersign all vouchers certified by the Chairperson for the withdrawal of funds.

Section 4. Secretary. The Secretary shall keep a full and permanent record of all meetings of the members of the Job Development Authority. The Secretary shall countersign all deeds, mortgages, leases, conveyances and contracts, and affix the seal of the Job Development Authority thereto. He or she shall perform such other duties as may be prescribed by the Job Development Authority.

Section 5. Bonds. Bonds may be required from any officer or employee for the faithful performance of his or her duties, as specified and required by the Job Development Authority.

**ARTICLE II****Meetings of Members**

**Section 1.** The annual meeting of the members of this Job Development Authority shall be held in the county seat city on the first Wednesday of December each year at such hour and place, as the Job Development Authority may determine. Special meetings of the members may be called at any time upon written request of five (5) members or by the Chairperson. All meetings of the members must be held in the county seat city unless otherwise determined by the Chairperson. Written notice shall be sent to each member at least five (5) days in advance of special meetings, and at least ten (10) days in advance of the Annual Meeting but written notice may be waived if the majority agree to attend the meeting. The Chairperson may determine the time and place of the holding of such meetings within said city. At the Annual Meeting of the Job Development Authority, the members shall elect a president, Vice-President, Secretary and Treasurer of the Job Development Authority.

**Section 2.** A majority of the members shall constitute a quorum at all meetings, provided, however, that a two-thirds affirmative vote of all members is required upon an amendment of the Articles of Incorporation.

**Section 3.** Membership in the Job Development Authority shall be limited to those individuals appointed by the County Commissioners in accordance with Chapter 11-11.1 of the North Dakota Century Code. Seventeen (17) persons shall constitute the original Board of Directors for this Job Development Authority with the original membership being appointed, with five (5) members having a one-year term; six (6) members having a two-year term; and six (6) members having a three-year term. After that original term, the members appointed to the Job Development Authority Board of Directors shall serve for a term of three (3) years or until their successors are duly qualified. Terms of the office shall begin in January 1 and shall be arranged so that terms of office of approximately one-third of the members shall expire on December 31 of each year. Each member of the Board shall qualify by taking the oath provided for civil officers. The oath shall be filed with the County Auditor.

**ARTICLE III****Management of the Job Development Authority**

**Section 1.** The management of the affairs of this Job Development Authority shall be vested in the Board of Directors composed of seventeen (17) members selected as provided in Chapter 11-11.1 of the North Dakota Century Code. The County Commissioners shall fill any vacancies occurring. Members may be reimbursed from funds available to the Authority for mileage and expenses as provided in the North

Dakota Century Code but shall receive no compensation for service. Salaries and compensation for employees of the Job Development Authority for services rendered shall be fixed and determined by the Board of Directors.

#### **ARTICLE IV**

##### Executive Committee

Section 1. The Board of Directors of the Job Development Authority may appoint from its membership an Executive Committee of seven (7) members, which shall consist of the Chairperson, Vice-Chairperson, Treasurer, Secretary and three (3) other members of the Board of Directors, which Executive Committee may be empowered to consult and advise with the Chairperson from time to time in the conduct and management of the ordinary business of this Job Development Authority when the Board is not in regular session; such Executive Committee, if appointed, shall have the same authority as the Board of Directors in the ordinary conduct and management of the regular and ordinary and routine business of the affairs of the Job Development Authority, and such Executive Committee, if appointed, shall keep a record of its proceedings to present to the Board of Directors at its regular or special meetings.

#### **ARTICLE V**

Section 1. No By-Laws shall be adopted, altered, amended or repealed except by a two-thirds vote of the members.

The undersigned constituting the membership and Board of Directors of the (name) Job Development Authority do hereby adopt the within and foregoing By-Laws and certify that the same are hereby adopted for the government of the affairs of this Job Development Authority.

#### **Space for signatures.**

DATED at \_\_\_\_\_, North Dakota, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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**By-Laws example: Economic Development Corporation****BY-LAWS OF (County/City) ECONOMIC DEVELOPMENT CORPORATION****ARTICLE I****ORGANIZATION**

- I. The name of this organization shall be the (County/City) Economic Development Corporation.
- II. The organization may at its pleasure by a majority vote of the membership body change its name.

**ARTICLE II****PURPOSES**

The following are the purposes for which this organization has been organized:

- A. To encourage industrial development of the (County/City) area;
- B. To attract the development of new businesses and professions to the (County/City);
- C. To enhance the quality of life within the (County/City) area.

**ARTICLE III****MEMBERSHIP**

Membership shall be open to all that pay an annual membership fee.

**ARTICLE IV****MEETINGS**

- I. The annual membership meeting of this organization shall be held annually at a time and date set by resolution of the Board of Directors. The Secretary shall cause to be mailed to every member in good standing at his/her address as it appears in the membership roll book of this organization a notice telling the time and place of such annual meeting.
- II. Regular meetings of this organization shall be held within (County/City) unless otherwise notified.
- III. The presence of not less than nine (9) members shall constitute a quorum and shall be necessary to conduct the business of this organization; but a lesser number may adjourn the meeting for a period of not more than two weeks from the date scheduled by these bylaws and

the Secretary shall cause a notice of this scheduled meeting to be sent to all those members who were not present at the meeting originally called. A quorum hereinbefore set forth shall be required at any adjourned meeting.

**IV.** The president may call special meetings of this organization when he/she deems it for the best interest of the organization. Notices of such meeting shall be mailed to all members at their addresses as they appear in the membership roll book at least ten (10) days but not more than thirty (30) days before the scheduled date set for such a special meeting. Such notice shall state the reasons such meeting has been called, the business to be transacted at such meeting, and by whom called.

At the request of seven (7) members of the Board of Directors or Fifteen (15) members of the organization, the president shall cause a special meeting to be called but such request must be made in writing at least thirty (30) days before the requested scheduled date.

No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

## **ARTICLE V**

### **VOTING**

**I.** At all meetings, except for the election of officers and directors, all votes shall be via voice, except that for election of officers and directors ballots shall be provided and there shall not appear any place on such ballot any mark or marking that might tend to indicate the person who cast such ballot.

At any regular or special meeting, if a majority so requires, any question may be voted upon in the manner and style provided for election of officers and directors.

**II.** At all votes by ballot, the chairman of such meeting shall immediately prior to the commencement of balloting appoint a committee of three (3) who shall act as "Inspectors of Election" and who shall at the conclusion of such balloting certify in writing to the Chairman the results, and the certified copy shall be physically affixed in the minute book to the minutes of that meeting.

No inspector of election shall be a candidate for office or shall personally be interested in the question voted upon.

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**ARTICLE VI****BOARD OF DIRECTORS**

I. The business of this organization shall be managed by the Board of Directors consisting of nine (9) members including the officers of this organization. All of the directors shall be a resident of the State of North Dakota and a citizen of the United States.

II. The members of the Board of Directors shall be selected in the following manner:

- A. A representative of the (County/City) Council selected by the (County/City) Council;
- B. A representative of the (name of county) County Commissioners selected by the County Commissioners;
- C. Two (2) residents of (name of county) County who reside outside the City of (name of city) selected by the (name of county) County Commissioners;
- D. Five (5) members in good standing elected by the membership

III. Each elected director shall hold office for a term of three (3) years, or until a successor shall have been elected and qualified. Staggered terms as hereinafter set forth shall be continued, providing for two (2) director seats elected by ballot in 2002, and every three years thereafter; two (2) director seats elected by ballot in 2003, and every three years thereafter; and one (1) director seat elected by ballot in 2004, and every three years thereafter. Presently serving directors shall have their term determined by lottery following the adoption of this bylaw.

IV. The Board of Directors shall have the control and management of the affairs and business of this organization. Such Board of Directors shall only act in the name of the organization when it shall be regularly convened by its chairman after due notice to all directors of such meeting.

V. Five (5) of the members of the Board of Directors shall constitute a quorum and the regular meetings of the Board of Directors shall be held monthly on a date established by the Board of Directors.

VI. Each director shall have one vote and such voting may not be done by proxy.

VII. The Board of Directors may make such rules and regulations covering its meetings as it may in its discretion determine necessary.

VIII. Vacancies in the said elected members of the Board of Directors shall be filled by a vote of the majority of the remaining members of the Board of Directors for the balance of the year. Vacancies in the said appointed members of the Board of Directors shall be filled by their respective appointing organizations.

IX. The Board of Directors shall select from one of their number a President, Vice President, Secretary, and Treasurer.



X. The President of the organization, by virtue of his/her office, shall be Chairman of the Board of Directors.

XI. A director may be removed when sufficient cause exists for such removal.

XII. The Board of Directors may entertain charges against any director. A director may be represented by counsel upon any removal hearing. The Board of Directors shall adopt such rules, as it may in its discretion consider necessary in the best interests of the organization for this hearing.

## **ARTICLE VII**

### **OFFICERS**

I. The officers of the organization shall be as follows:

- A. President
- B. Vice President
- C. Secretary
- D. Treasurer

The same person may hold the offices of Secretary and Treasurer.

II. The President shall preside at all membership meetings.

- A. He/she shall by virtue of this office be named Chairman of the Board of Directors.
- B. He/she shall present at each annual meeting of the organization an annual report of the work of the organization.
- C. He/she shall appoint all committees, temporary or permanent.
- D. He/she shall see all books, reports, and certificates as required by law are property kept or filed.
- E. He/she shall be one of the officers who may sign the checks or drafts of the organization.
- F. He/she shall have such powers as may be reasonably construed as belonging to the chief executive of any organization.

III. The Vice President shall in the event of the absence or inability of the President to exercise his/her office become acting President of the organization with all the rights, privileges and powers as if he had been duly elected president.

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**IV.** The Secretary shall keep or cause to be kept the minutes and records of the organization in appropriate books.

- A. It shall be his/her duty to file or cause to be filed any certificate required by any statute, federal or state,
- B. He/she shall be the official custodian of the records and the seal of this organization.
- C. He/she may be one of the officers required to sign the checks and drafts of the organization.
- D. He/she shall present or cause to be presented to the membership at any meetings any communication addressed to him as Secretary of the organization.
- E. He/she shall submit to the Board of Directors any communications which shall be directed to him as Secretary of the organization.
- F. He/she shall attend or cause to be attended to all correspondence of the organization and shall exercise all duties incident to the office of Secretary.

**V.** The Treasurer shall have the care and custody of all monies belonging to the organization and shall be responsible for such monies or securities of the organization.

- A. The Treasurer may be one of the officers who shall sign checks or drafts of the organization.
- B. The Treasurer shall cause to be rendered at stated periods, as the Board of Directors shall determine, a written account of the finances of the organization.
- C. The Treasurer shall exercise all duties incident to the office of Treasurer.

**VI.** Officers by virtue of their office shall be members of the Board of Directors.

**VII.** No officer shall for reason of his/her office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director from receiving any compensation from the organization for duties other than as director or officer.

## **ARTICLE VIII**

### **SALARIES**

**I.** The Board of Directors shall hire and fix the compensation of any and all employees which they in their discretion may determine to be necessary in the conduct of business of the organization.

**ARTICLE IX****COMMITTEES**

I. The President of the Board shall appoint, with the advice and consent of the Board, as many committees as necessary to implement the programs of the Corporation. The Board shall authorize and define the responsibilities of the Committees.

**ARTICLE X****DUES**

I. The Board of Directors shall establish the annual dues for the organization and mode or payment.

**ARTICLE XI****AMENDMENTS**

I. These by-laws may be altered, amended, repealed, or added to by an affirmative vote of not less than nine members.

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## Certificate of Tax Exempt Status

The Office of State Tax Commissioner has guidelines that identify organizations that are exempt from paying North Dakota Sales or Use Tax. Job Development Authorities (JDAs) are established through statute. They have been given authority through the ND Century Code to be formed by county government and to be funded through tax mills. This qualifies the JDA as an exempt entity. A Job Development Authority can either apply for its own exemption number or can use the exemption number of their county.

The Certificate of Tax Exempt Status should be filed with your organizations' official documents such as by-laws and statutory documents.

Economic Development Corporations, on the other hand, are not empowered through statute as government and do not qualify for tax exempt status. Contact the Office of State Tax Commissioner for more information. 701-328-1246

### [Office of State Tax Commissioner Sales and Use Tax](#)

[Sales Tax Exemptions Guideline](#)  
[Exemption application form](#)

## Mission Statements

Mission statements define the reason an organization exists. The Cavalier County Job Development Authority mission statement was created in 1990 but it has consistently reflected the goals of our County Strategic Plan and remained a defining statement of our programs. The following example and websites should be useful in creating your organization's mission.

"The primary responsibility of this Job Development Authority is to not only create jobs and increase incomes by the process of economic development, but to create a climate conducive for development within the whole county. Economic development includes the enhancement of human capital, developing community infrastructure and promoting business development."

Example of County JDA Mission Statement

### Defining Your Own Mission

[www.missionstatements.com](http://www.missionstatements.com)  
[www.boardsource.org](http://www.boardsource.org)  
[www.referenceforbusiness.com](http://www.referenceforbusiness.com)

### New Hire Checklist

Your office may serve as the office of record for hiring packages, which means you are responsible for monitoring and enforcing compliance for anyone hired by your organization. To assist us in complying with Federal and State laws, we developed a New Hire Checklist. In today's world, there seem to be more requirements all the time, so stay in communication with your city or county auditor or accountant.

To establish an employee file for a new member of your staff, the following documents need to be included.

**New Hire Checklist**

W4	<input type="checkbox"/>
I-9	<input type="checkbox"/>
Copy of Driver's License	<input type="checkbox"/>
Copy of Social Security Card	<input type="checkbox"/>
Employee Manual Read and Signed	<input type="checkbox"/>
Other Policies Read and Signed <i>(i.e. Credit Card Policy)</i>	<input type="checkbox"/>
Any Necessary PERS Forms (if Applicable) <i>(i.e. SFN 54362, SFN 2560, SFN 2561)</i>	<input type="checkbox"/>
Group Health Insurance Form (if applicable)	<input type="checkbox"/>
Other Insurance Forms <i>(i.e. Dental, Life, etc.)</i>	<input type="checkbox"/>
Report to Child Services	<input type="checkbox"/>
Enter Employee in Accounting System <i>(i.e. QuickBooks)</i>	<input type="checkbox"/>

The State of North Dakota requires that they are notified if health insurance is offered to any new hires. There are also requirements with regards to reporting to Child Support Enforcement (CSE)

### [New Hire Reporting Law](#)

## North Dakota Public Employees Retirement System

Depending on how your economic development organization is set up or affiliated, employees of the organization may have the opportunity to participate in the North Dakota Public Employees Retire.

[NDPERS Training Links](#)

[New Hire Kit](#)

[NDPERS Forms](#)

## Tax ID (EIN)

An Employer Identification Number is a Tax ID number used for tax purposes only. It is required before your organization can open a bank account and must be in place before any employees are hired.

[Applying for an EIN](#)

## DUNS Number

Dun and Bradstreet (D&B) is a company that provides business information for credit, marketing, and other business purposes. D&B administers a "data universal numbering system," known as DUNS, to issue unique 9-digit number that is used by federal and state governments in the grant process.

When you are working on grants or other state or federal projects your organization will need a DUNS number. In the past, we have also needed the Duns number for USDA Rural Business Enterprise Grant (RBEG) loan recipients and contactors on grant funded projects.

**DUNS Search**

To find out if your organization already has a DUNS number you can do a DUNS search:

- First go to the Dun and Bradstreet site:  
<https://iupdate.dnb.com/iUpdate/companylookup.htm>
- Type in your business or organization's name and location
- Click on **Search**
- This brings up a list of businesses and organizations with the same or similar name that already have a DUNS number.
- If your organization is in the list, check the box and click on **Next**
- It will not show you the DUNS number unless you are authorized for the information. If you are, you can fill out the following screen with your information and click **Next** to see the DUNS number.

**Apply for a DUNS Number**

The following website has information on how to apply for a DUNS number, if your organization does not have one. <http://fedgov.dnb.com/webform>