

GUIDE TO Starting a Flying Club

02	CHAPTER 1 getting started	
06	CHAPTER 2 CLUB FUNDAMENTALS	06 Working with your airport operator07 Be a good neighbor07 Flying club network
09	CHAPTER 3 Designing your flying club	 09 Club viability 11 Founding members 13 Generate interest in your flying club 17 Club objective or mission 19 Identifying club aircraft 19 Pick up the phone
20	CHAPTER 4 CLUB STRUCTURE	20 Equity vs. non-equity clubs22 Legal entities25 Tax exemption
28	CHAPTER 5 UNDERSTANDING EXPENSES AND SOURCES OF INCOME	 28 Expense types 30 Club insurance 31 Purchase or lease 31 Financing an aircraft 32 Maintenance costs 33 Sources of club revenue 34 Other things to consider
37	CHAPTER 6 BUILDING YOUR FLYING CLUB	 37 Preparing a budget 38 Bylaws and operating rules 40 Filing for incorporation and tax status
42	CHAPTER 7 ACQUIRING YOUR AIRCRAFT	42 The process of acquiring an aircraft
48	CHAPTER 8 RUNNING YOUR CLUB	 48 Marketing your club and attracting members 49 Club management 50 Strategic planning 52 Flying Club network values
53	CHAPTER 9 CLUB SAFETY PROGRAM	 53 Safety culture 53 Safety policy 55 The five building blocks of safety education 57 WINGS for Clubs
58	CHAPTER 10 RESOURCES FOR FLYING CLUBS	58 More resources for flying clubs

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Chapter 1: Introduction

WHAT IS A FLYING CLUB AND HOW CAN AOPA HELP YOU START ONE?

Congratulations on taking the first step toward starting a flying club!

This guide will take you step by step through the process of starting a flying club—from concept through development, and then to operational status. Starting a club requires study and perseverance—but, hey, we're pilots and know all about that—and at the end of the process, you'll have created an entity that can provide affordable access to aircraft in which all members have a personal stake. Whether you began your aviation journey in a flying club, or you joined one many years later, or even if you're just finding out about them now, there is no doubt that flying clubs can maximize your enjoyment of general aviation, while substantially cutting your costs. At AOPA, we present webinars and in-person seminars on the benefits and structure of flying clubs and the title says it all: *Maximum Fun, Minimum Cost.*



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The beauty of a flying club is that it allows the cost of owning, storing, and operating an aircraft to be shared among the club members. If there are 10 members in the club, then each member becomes responsible for one-tenth of the fixed costs. In theory, this means that nine other people may want to use the club airplane at the same time as you, but the reality is quite different. We have found that a very workable ratio of people to aircraft is around 10:1-and even then the aircraft will spend most of the time in the hangar. If you truly want to have unrestricted access to your aircraft, then private ownership is for you. If, on the other hand, you want to spread out the cost of your flying and can be a little flexible in return, then the club model is well worth exploring. Also, the very economies of scale that come with flying clubs could mean that you are able to fly an aircraft that you wouldn't otherwise be able to afford.

In the Flying Clubs Initiative, we promote three aspects of flying clubs—access, affordability, and camaraderie. While we can do the math for the first two, it is undoubtedly the social aspect that makes a great club. Through social interactions, clubs provide mentorship, training, education, camaraderie, and shared passion—all essential ingredients for a vibrant and successful organization.

The individuals who make up a flying club come from all walks of life and exhibit varied levels of experience in aviation. Representatives from every group—including students to airline transport pilots, ex-military pilots to high-time general aviation flight instructors, as well as people of all ages and backgrounds—make up a typical flying club. This diversity provides you with a social network that reviews your flying decisions, allows for truly enjoyable social gatherings, and often gives you the opportunity to interact with an experienced, rated pilot who may sit in the other seat and share the cost of a flight.

Flying clubs have been around since the earliest days of aviation and have helped thousands of people achieve their goals—whether they are recreational or professional.

Through built-in cost sharing, flying clubs also provide the opportunity to include people who couldn't otherwise afford to be involved in aviation. For example, a newly certificated young pilot with family obligations probably can't afford to be an aircraft sole owner, and because of high rental costs, doesn't fly much. Flying clubs to the rescue!

As the aviation industry seeks to reverse declining pilot numbers, flying clubs are arguably the best solution to many of the problems that individuals face in general aviation.

Flying clubs provide exceptional value to individuals. They offer affordability, community, mentoring, and a viable entry (or re-entry) point to general aviation. The **Flying Clubs Initiative** is dedicated to starting, growing, and sustaining flying clubs throughout the United States, and we provide resources and knowledge to help you succeed. This guide is one such resource. Others include technical articles, example documents, the Flying Club Network and direct access to the incredibly knowledgeable **Flying Clubs Initiative staff**.

In addition to being an introduction on starting a flying club, we also hope this guide will help existing clubs as they grow (in membership), and evolve or reinvigorate. We encourage all clubs whether they are looking for information, newly established, or mature—to join the Flying Club Network. Benefits include listing in the **Flying**. **Club Finder**, where people interested in joining a club can search for flying clubs in their area or that meet certain criteria such as aircraft type. We are actively expanding the benefits available to network members.

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One such benefit is the monthly e-newsletter, <u>Club</u> <u>Connector</u>, which features an in-depth Question of the Month section, as well as all the latest News from Headquarters. There is also a detailed Safety section that provides safety officers with material for the club's monthly safety meetings, as well as other articles of interest to all members of flying clubs.

To help you through the critical steps involved when starting a new club, each chapter in this guide covers a major area of interest. Topics are in the general order required to get your club up and running from scratch—but don't feel compelled to read each chapter, as each is pretty much selfcontained. For example, if you already have a club aircraft, skip that section, although you may find some interesting options and ideas for a procuring a second aircraft! You also will find a treasure trove of example documents on our **Downloable Resource** page. You can use these templates as a basis for your own club documents, as you wish.

From our surveys and other research, AOPA has determined that flying clubs are as diverse as the people that fly aircraft. There is no "one size fits all" and we see many different sizes, structures, operations, and types of aircraft in flying clubs.

SIZE

Generally, we see three main sizes of flying clubs, and we advise new clubs to start small to get some operational experience before thinking about growing in membership and especially the fleet.

- 3-15 members, with 1-2 aircraft
- $\cdot 10\text{-}50$ members, with 3-5 aircraft
- More than 50 members with more than 5 aircraft.

STRUCTURE

Wise clubs structure themselves with liability protection. For reasons that we'll explain in great detail later, we strongly advise flying clubs to form as non-profit corporations in their state of operations, rather than as LLCs. The FAA defines a flying club as a nonprofit or not-for-profit social entity organized for the express purpose of providing its members with aircraft for their personal use and enjoyment only. Being nonprofit means that all proceeds stay with the club, with no "profit" being dispersed to anyone or anything. so an LLC is not a good structure for member run (and funded) social clubs. Another huge advantage of establishing as a non-profit corporation rests with taxation. Such clubs may file with the IRS for tax exemption under tax code 501(c)(7), which can offer huge benefits to clubs that own their aircraft. More on this important topic, later.

By the way, if you are pondering the differences between a flying club and aircraft co-ownership (often mistakenly called a "partnership"), we suggest you read **The Guide to Aircraft Co-Ownership**.



To some degree, the choice of structure determines the extent of "governance"—that is, the formality of running the club and its paperwork. Don't worry, we'll explain more about this in the appropriate section, but for now think about it...regardless of how your club is structured, members share aircraft with other members and a lot of money is changing hands, so it makes perfect sense to have bylaws, operating rules, and a board of directors and officers to oversee club operations, finances and fair play. Don't think of this as a burden, but as a framework for a successful and sustainable club.

OPERATIONS

Most clubs create operational rules that are separate from bylaws. These rules outline obvious things such as how to schedule an aircraft and what is expected once the aircraft is returned, but they often detail factors such as required experience and currency, particularly to operate more advanced aircraft.

TYPES

Again, there is no one type of club aircraft. While many clubs thrive by operating the venerable Cessna 172 or Piper Cherokee, others offer very specific types, such as tailwheel, seaplanes, and even warbirds.

So, clubs start differently and grow differently, and the wonderful thing about this is that it's your choice. This guide provides the details of designing your club, but first, we'll discuss some fundamental operations for flying clubs, and how we can stay on the good side of the FAA and the airport operator by understanding what is expected of us.