Qualifying for EO Nashville membership

A plain-language guide to the membership qualifications and the **$1,000,000 qualifying revenue requirement**. The figure is meant to reflect the size of the economic engine you control: the revenue your business earns, prices, and carries risk for, not money you simply pass through on someone else's behalf.

Membership criteria

1 **Be an owner**
Founder, co-founder, or controlling shareholder of the business.

2 **$1M+ qualifying revenue**
Gross receipts as reported for tax purposes, less true pass-through amounts remitted to third parties.

3 **Manage the whole business**
Managing duties apply to the entirety of the organization, not a business unit or department.

4 **Complete the process**
Application, financial verification, a committee visit, and approval by the Board of Directors.

"Controlling shareholder," defined

"A shareholder in a corporation with either voting control of the corporation or effective control of the corporation through the exercise of management rights / general partner with managing duties. Where the business is organized in a form other than a corporation, this term should mean the equivalent for that form of business structure."

EO Policies and Procedures 2025, Appendix A. The key phrase is "effective control through the exercise of management rights": control extends beyond mere ownership percentage.

The core principle: start with gross receipts as reported for tax purposes, then subtract true pass-through amounts remitted to third parties. What remains is qualifying revenue, and it must be $1,000,000 or more for the most recent full year (Catalyst graduates may use the trailing twelve months). Everything else simply helps interpret what typically counts as pass-through across different business models.

Questions that help in the gray areas

Are you on the hook for the expense?

Do you just pass the cost to the client? If so, usually only your markup or fee is included.

Is the outsourced party a real outside business, or effectively your team?

Do you change the product or service before delivery?

A quick note before you read on: membership eligibility is decided by the EO Membership Council, which looks at each business individually and case by case. This guidance is not a checklist or a guarantee that a business qualifies. It reflects the interpretations the Council leans on most often, so due diligence stays fair across very different industries and the EO bylaws get applied consistently. Think of it as how we tend to think about revenue, not the final word on any one situation.

What to provide: most recent tax return or internally prepared financials, and whether your accounting method is cash or accrual.

How revenue is typically counted, by industry

EO Nashville

Industry	Typically included in revenue	Typically NOT included
Marketing / Advertising / Branding	Strategy, creative & management fees; media/SaaS commissions; markups on print, photo & ad spend; production costs where you are liable to pay subcontractors (even if reimbursed)	Media spend (Google Ads, display, OTT); resold pass-through SaaS (HubSpot, Salesforce); client reimbursables (photo, printing, ad spend)
PR firms	Campaign fees; influencer management fees; markups on influencer or media spend	Client reimbursables (photo/printing, event & ad spend, paid influencer payments)
Event planning / production / promoters	Planning & coordination fees; management fees; vendor markups; equipment rental if you own the gear	Client reimbursables (vendors, supplies, equipment rental unless you own it)
Staffing	W-2 temp wages + markup (gross billings); placement fees; contract staffing revenue	Pass-through salaries (placement value only); payroll taxes
PEO / employer of record	Admin fees (per employee or % of payroll); markups on benefits & workers' comp; HR & compliance services	Client payroll run through the PEO: wages, payroll taxes, benefit premiums at cost
Promotional products	Gross product sales; design & setup fees; retained product margins	Shipping / freight pass-through; sales tax
Travel agent / logistics booking	Commissions & overrides; service / booking fees	Price of travel, lodging, excursions
E-commerce / fulfillment	Gross product sales; fulfillment fees; logistics; marketing management; subscription fees	Sales tax; chargebacks
Builders / construction	General contractor fee	Pass-through subcontractors & expenses
Real estate / developers (CRE/RE)	Development fees; sales & leasing commissions; asset management fees	Value of purchase/sale agreements; value of construction (unless full developer)
Property management	Management fee	Building spend reimbursed to vendors / suppliers
Architecture / interior design	Design & project management fees; furniture/décor where you bear financial risk; retained trade discounts; engineer/ consultant fees billed through the firm	Outsourced vendors (engineers); client reimbursables (permits); do not double-count client deposits
Attorney / legal	Legal fees; contingency fees earned; flat or hourly billing	Value of deal or settlement; advanced costs; escrow funds
Insurance / wealth management	Commissions & fees on assets; advisory fees	Value of assets / policy face value
Dance studio	Tuition & class fees; competition fees retained; camps; workshops; choreography fees	Competition & costume fees passed through
IT / tech / software resellers	Software resale with margin; SaaS bundled with services; managed IT; implementation, configuration & support fees	Equipment reimbursables; software you do not manage, configure, or support (pure resale)

Notes that catch the common gray areas

- **Subcontractor liability.** If you must pay the subcontractor whether or not the client pays you, that production cost is typically included as revenue (common in marketing and video).
- **Furniture & décor (interior design).** Typically included only when the firm carries the financial risk of the purchase, not when it is a straight reimbursable.
- **Client deposits / retainers.** Usually recognized once as earned revenue; avoid double-counting.
- **Staffing gross billings.** W-2 temp wages plus your markup are typically included; payroll taxes are not.
- **Equipment rental.** Typically included only if your business owns the equipment.
- **PEOs and employers of record.** A PEO is on the hook for its clients' payroll, but the client hires and directs those workers and sets their pay, so only the PEO's own fees are typically included. A business that uses a PEO to run its own payroll (lines like "PEO labor" or "HR admin fee") is not a PEO; its revenue counts normally.

Version 2.10 · September 28, 2026 · EO Nashville Membership Council. v2.10: adds PEO guidance; defines qualifying revenue. Source: 2026+ Membership Definitions (Industry Revenue Definitions); EO Policies & Procedures 2025, Appendix A. Guidance for prospect use; the Membership Council makes final eligibility determinations.