

Emergency Board Meeting – Tuesday August 24, 2010

Meeting was called to order at 7:00 p.m. by Vicki Battle

An emergency board meeting was held on Aug. 24, 2010 – to discuss fundraising, the tax issue and student accounts.

Those in attendance: Vicki Battle, Bonnie Burns, Sylvia Hendricks, Joan Troxel, Marjorie Purgason, Lynn Ellis, Lynn Fletcher, Andrea Sharp, Jim Westerholm, Doug Armstrong

It was decided that a quorum was in attendance for voting issues.

Goals of this year: get underclass parents involved and be great at communication (emails and answers)

In response to the issue of another band having been fined for Fund-Raising and Student Accounts, and non-compliance with the IRS, the board was trying to understand the issues of compliance and whether we are in compliance or not.

We are a 501 C 3 Organization – Tax Exempt Credit

Research was done by: Lynn Ellis & Bonnie Burns

Lynn's research interpreted that we cannot give individual's money for working for us (Band Boosters), paying the students from concessions essentially makes them employees - IRS forms and reporting would need to be done on this "income".

Individual fundraising makes them independent contractors, and is fine – as long as they do not exceed a total of \$600 for the year.

Her source of advice suggested "erring on the side of caution".

Bonnie's research interpreted that we should be able to continue student accounts, report the funds as "Gifts In Kind" for a non-profit. The thought was: paying concessions comes from Band Boosters itself, students get 100% of Band Booster profits. Profits from all things in Band Boosters (concessions, Tag Day, etc) profits the students.

Her source of advice suggested doing as we have been, using the thought of "Gift in Kind".

Concession Volunteering was discussed – could we set up perimeters/rules for volunteers, how to get the students to still work the concessions even if they are not paid individually.

Fundraising does benefit the students, individual accounts are seen as income (by IRS), so we need to have a W-9 filled out (a reporting tool) for each student, hold on to it and use if necessary for reporting if they go over the \$600.

Vicki Battle suggestion: under an "Umbrella of Scholarship" – has to benefit all not just individuals, could funds be set aside from concession sales to benefit the trip cost in some way? (Remember as a non-profit, all money needs to benefit all)

Discussions included concern about the expense of trip, being able to help students find a way to pay for it, concessions might be hard to get students to work if they are not being paid – need to find a way to entice them to work for the benefit of all.

Discussion also took place concerning the changing of Student Accounts and the paperwork sent out to members for PAPA, they used a pledge account, families pledge how much your student will fundraise.

Marjorie pointed out from our By-Laws, Article III, section K

An audit or review of books should be done. Review of income versus expenses to be sure things are right.

Votes taken were:

Vote to discontinue paying individual students for concession volunteering, still can do individual fundraising, filling out W-9 and under \$600 profit/year..... Simple Majority voted in FAVOR

Vote taken to consult someone on 501 C 3 compliance – Simple Majority voted in FAVOR (we would ask for recommendations on someone in this field, non profit tax attorney)

It was decided that a discussion and/or vote on having books reviewed/audited would be done at a later date.

At this point, it was decided to continue with the Individual student Fund-raising as in the past, as long as W-9 are filled out and on file. Concessions will be discussed to students that all need to help out to help "the greater good" of the entire band. Individual payments for concessions and clean-up will be suspended at this time.

Next Board meeting will be Sept 14, 2010 6:30 pm in the chorus room

Parent's Meeting will be September 14, 2010 7:00 pm in the band room

Meeting adjourned at 8:39 p.m.

Minutes submitted by Joan Troxel