

SUNRISE PICKLEBALL CLUB

Board of Directors Meeting Minutes

December 17, 2019 – **UPDATED DECEMBER 26, 2019**

OPENING

The Board of Directors Meeting for Sunrise Pickleball Club (SPC) was called to order at 6:04pm in room 1 of Rusch Community Park by Amy Papenfuss, President.

Present (In-Attendance) :

Amy Papenfuss (President), Gail Kenney (VP), Elaine Dykhouse (Secretary, 2020), Karen Seminoff (Membership Dir., 2020), Reine Steel (IT Dir), Rodney Coleman (Event Coord), Lisa Hicks (Ambassador), Lee Swayne (Past President)

ABSENT

Teresa Ward (Treasurer), Dale Filbert (Membership Dir. 2019)

OLD BUSINESS

None Discussed

NEW BUSINESS

Welcome Elaine Dykhouse our new Secretary for 2020 and Karen Seminoff, our new Membership Director for 2020. Official tenure will begin on January 1, 2020 for both positions.

Teresa informed Amy (via text) of the following Treasurer Report:

➔ Safe: \$7,765.08 + \$4,106. PayPal: \$485.37. Total cash as of 5:00pm: \$12,356.45

TOPIC OF DISCUSSION

- 1) Amy P. wanted to discuss the 3-free drop-in and then charging \$5.00 guest fee for non-members BOD had a lively discussion and arrived at this summary:
 - a) BOD does not wish to charge a fee at this time as it is believed that this may create ill will towards SPC.
 - b) Utilize the tags and communications to change the behavior of members to make the non-member guests to either join up as a member or to pay the \$5.00 drop-in fee.
 - c) Utilize clipboards for membership applications and waivers, they would be brought out whenever a board member wants to bring out.

**** TOPIC TABLED UNTIL AFTER QUARTER 1**

- 2) Lee provided an update surrounding the TOT (Transient Occupancy Tax) grant application
 - a. SPC has applied for a potential \$14k grant specially to improve the lights
 - b. Decision for grant has been postponed until January 14, 2020.
- 3) Gail presented discovery surrounding 501 (c) 3 tax classification:
 - a. SPC presently is identified as a 501 (c) 7 tax class: Sports Club
 - i. Does not require a legal form of organization
 - ii. Source of income: 65% of income must come from membership
 - iii. Donations are NOT tax deductible

- iv. Must pay taxes against all income in excess of the 65% income
- b. Discussed moving SPC to a 501 (c) 3 tax identification
 - i. Must have a legal form: trust, Assoc. or Corporation
 - ii. Source of income: member fees, donations, fund raisers, clinics
 - iii. Donations ARE tax deductible
 - iv.

BOD had further discussion, Gail provided summary (attached) and the following morning, provided the following additional information:

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*The \$800.00 that was referred to last night: this is the minimum tax liability to the State of California for a corporation that is A FOR PROFIT ORGANIZATION AND DOES NOT APPLY TO A 501C3 nor to a 501C7.

*501c3 - Annual tax reporting is required and much like the IRS can be accomplished through a post-card filing if the income (pre expense raw income) is less than \$50,000. (This is the \$50,000 that is commonly referred to – this has NOTHING to do with the percentage of member vs non member revenue in a 501c7), it's strictly the threshold for the type of tax filing FOR ANY EXEMPT OR TAX PREFERRED ORGANIZATION UNDER IRS RULES. Under \$50K your returns is a postcard filing – over \$50k it gets more complicated, requiring additional schedules, etc, - this holds true for reporting both at the State and Fed level and will hold true for the 501c3 should we decide to move forward.

Fees:

California:

Secretary of State:

Articles of Incorporation for a non profit (501c3) is \$30.00 - this is the only filing fee required at inception.

90 days after filing the Articles of Incorporation and yearly thereafter - the current \$25.00 per year filing fee with the Secretary of State for the Statement of Information that is required to be filed by all Corporations to confirm the basic information on the Corporation.

Franchise Tax Board

Apply for Exemption on form 3500 - \$25.00 application fee

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There is no fee for filing the informational tax return as required by all 501c3 organizations

IRS:

\$275.00 501c3 application fee submitted with form 1023-EZ

Annual tax reporting is required and can be accomplished through a post-card filing if the income (pre expense raw income) is less than \$50,000. When and if the income is more than \$50K it gets more complicated, requiring additional schedules, etc. There is no fee for filing the informational tax return as required by all 501c3 organizations.

LegalZoom

Packages start at \$149.00 for a corporation – I couldn't go too far into the program without having a lot more info at my fingertips – but the fees quoted include the filing fees – so all in – less than \$850.00 for sure to get the 501c3 paperwork done.

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This topic will be discussed further at the next Board Meeting, thus allowing BOD to seek more information for next meeting.

4) Voting in At Large Members for 2020:

Amy Hardison-Papenfuss motioned to vote in Reine Steel, Lisa Hicks, Rodney Coleman and Lee Swayne, at large for members, and Karen Seminof (Membership Dir. For 2020), with voting privileges. Gail Kenney second and passed unanimously.

5) Insurance, waivers

Lee presented insurance policy quote and requested approval to accept the quote of \$509.75 for the 2020 calendar year –

- Gail moved to accept and Reine second, passed unanimously.

Agenda for Next Meeting

Further Discussion on 501 (c) 3

Discuss the outstanding loan

Discuss creating “committee” directors

Discuss PB 101

Sanctioned tournament

Discuss using PIG (Pickleball Is Great) for spring tournament

*** A formal Agenda with time appointments will be presented before next meeting.

Adjournment

Meeting was adjourned at 8:00pm by Amy Hardison-Papenfuss, President. The next Board meeting will be on January 13, 2020 6:00pm and Rusch Park, room 4.

Minutes submitted by: Elaine Dykhouse, Guest Secretary