

## **EATON RAPIDS BAND BOOSTERS**

Meeting Minutes – September 15, 2010 High School Library, 6:15 pm

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### **Welcome and Introductions**

The following people were in attendance: Mary Kelley, Lori Fata, John Fata, Robin Elliott, Chris Larson, Mary Kay Boulanger, Lori Althouse, Chris Rupp, Patsy Baker, Jim and Joyce Crandall

### **Officer Reports and Standing Business Items**

- 1<sup>st</sup> VP (High School Support)– Lori Althouse
  - Charlotte Frontier Days Parade – The first half was great and the second half was wet. Lori had the announcer tell the crowd that this was our first time wearing our new uniforms. Our band looked fantastic!
  - Friday night football games – There will be band booster tailgating before the game. Please join us!
- 2<sup>nd</sup> VP (Fundraising) – Everyone
  - Corn Sales – Carolyn Rocheleau: Total profit: \$991.16
    - Thanks to all of the volunteers who helped with corn sales this year.
    - Carolyn is looking for a volunteer who would like to work with her next year to learn how to run the sweet corn sales.
    - This is a great fundraiser for Band Boosters and a nice way for the community to support the band program.
  - 2009/10 Concert CDs – Chris Larson
    - There has been a glitch with the Christmas Concert 2009 CD's. We are working on a solution.
- Football Game Visitors Concessions – Kris Ziemer
  - Kris Ziemer has graciously volunteered to run these concessions for one more year. We need volunteers to help out. Contact Kris for more info. Her contact information is on the website in the band booster section. [www.erbands.org](http://www.erbands.org)
- Holiday Wreath Sales – Mary Kelley
  - Mary Kelley will be working with Carpenter Tree Farm to organize the holiday wreath sales. A big thank you to Mary and the Carpenters! There are some ideas about how to get the students excited about the sales. More information will be coming soon!
- Communications/Secretary – Mary Kay Boulanger
  - Minutes from the August Band Booster meeting approved. Moved by C. Rupp, Seconded by L. Althouse
  - Denise Weston has volunteered to help with publicity. Look for articles to be out soon regarding the new uniforms. We need to get permission to publish photos of students in the news. This year a photo release will go out with the band handbook, and in the future we hope to have this form be part of the band camp package of forms.
- Treasurer – Patsy Baker
  - Thanks to Mary Kelley for connecting Patsy with a person who helped her with the QuickBooks.

- See attached Treasurer's Report.
- Bills for half-time show, Lugnuts busing from last year, and SmartMusic subscription were presented and will be paid from the budget.
- There has been no billing yet for the band camp buses.
- Bill for the web site will be emailed to Patsy (from Chris Larson)
- We have yet to receive requests to reimburse half of the Drum Major Camp.
- Policies and Internal Controls for money – The band boosters don't have policies in writing. We need guidelines in writing for any new person who takes over the treasurer position. Patsy has some from other booster organizations that could be used as guidelines. The rules are broken into categories. Patsy gave us recommendations like two signatures for checks, and that anybody with check writing authority should be bonded. Another suggestion was that bills need to be submitted in a timely manner (30 – 60 days) with a specific form filled out. A small group (officers and volunteers) will meet to iron out some policies. Chris Rupp volunteered to be part of the group to look at the financial policies. A meeting date will be set in the near future.
- Member-At-Large (GIS & MS Support) – Cheryl Smith
  - Absent with prior notice

### **Director and Band Council Reports**

- High School – Adam Gumbrecht
  - No Report because Mr. Gumbrecht is at Practice with the band on the field.
- Middle School /Greyhound Intermediate – Chris Rupp
  - Mr. Rupp's daily class schedule changed. An elective teacher was hired at the Middle School. The elective shift will allow Mr. Rupp to be at the high school for Wind Symphony.
  - There is no 4<sup>th</sup> grade music in our district. This is a cut to our program. Mrs. MacKenzie will be offering an after school choir and Chris is trying to figure out how to offer pre-band experiences to the fourth grade students.
  - 5<sup>th</sup> grade band has about 82 students. Marshall Music will be contacting students and by mid-October the students will have instruments in their hands. There have already been 10 requests for school instruments.
  - The 6<sup>th</sup> grade band is at 64 students which is higher than it has been in recent years (it usually drops by half between 5<sup>th</sup> and 6<sup>th</sup> grade).
  - 7<sup>th</sup> and 8<sup>th</sup> grade bands are small – 25 in 8<sup>th</sup> grade and 30 in 7<sup>th</sup> grade.
  - Mrs. Rupp is now the executive director of the Battle Creek Brass Band, a group of professional musicians. The group will be participating in community outreach. We are hoping for the Eaton Rapids Band Program to be a part of that community outreach.
- Band Council – Becky Fether

- No report – Becky Fether is at Band Rehearsal.

### **Old Business:**

- 501(c) status
  - Mary Kelley's report is attached. We discussed the pros and cons of being a 501 (c) organization.
- Marching Band Uniform Donation Recognition (see attached) – Chris Larson
  - Motion to fund up to \$350 for the purchase of a Plaque, an advertisement in Flashes and certificates, come from the general fund budget -- moved by Chris Rupp, seconded by Mary Boulanger. Motion passed.
- Web Photo Site – John Greathouse – Absent with prior notice
  - There are other band families who have photography businesses who might also be interested in taking band photos. We are hoping to have more information available at the October booster meeting.

### **New Business:**

- Fiscal Year Accounting Change – Patsy Baker
  - How much of a problem is it to change our fiscal year to begin on September 1<sup>st</sup> and end on August 31<sup>st</sup>?
  - We could also change the officer terms.
  - This will be proposed as old business for next month's meeting.

### **Announcements:**

#### **Eaton Rapids Public Schools Bond Proposal**

- Lori Althouse attended a meeting regarding the School District's bond proposal.
- The bond is a continuation of the current bond. The current bond will not expire for 8-9 years and this bond, if it is passed, would have the current bond payment remain the same for a longer period of time.
- This will directly benefit the Eaton Rapids Band Program. The bond includes musical instruments and improvements to the high school auditorium. Spread the word to support this bond and our band program!
- Check out the information on the Eaton Rapids Public Schools web site.
- Contact Lori Althouse for more information.

#### **Band Booster Meeting Schedule** (*meetings start at 6:30pm in the High School Band Room unless noted*)

October 13, 2010: (Wednesday): 6:15pm, High School Library (HS Parent/Teacher Conferences),  
 November 9, 2010: MS Band Room (MS Parent/Teacher Conferences).  
 December 14, 2010: Will be rescheduled, high school concert night  
 January 11, 2011:  
 February 8, 2011: 2011 Marching Fees and Payment Schedule Set  
 March 8, 2011:  
 April 12, 2011: 2011/12 Budget Presentation and Officer Nominations  
 May 10, 2011: 2011/12 Budget Approval and Officer Elections  
 June 7, 2011:

# MEMO

**TO:** Eaton Rapids Band Boosters  
**FROM:** Mary Kelly  
**DATE:** September 7, 2010  
**RE:** Establishment of 501(c) tax-exempt status for  
Eaton Rapids Band Boosters

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I have done a little research concerning obtaining 501(c) status for the Eaton Rapids Band Boosters (hereafter Boosters), and have the following comments.

First, let me explain that I work for an attorney/CPA firm in Charlotte. I have actually worked as a legal secretary for 35 years, and have quite a bit of experience in the legal field. However, I am not an attorney and am not qualified to give legal advice with regard to what the Boosters should or should not do with regard to becoming a charitable organization. The purpose of this memo is only to outline for you what I have uncovered in researching this topic, and to help outline the steps the Boosters may need to take to accomplish the goal of becoming a 501(c) tax-exempt organization.

At the last Booster meeting, Chris Larson mentioned that the Boosters expect to need the services of an attorney to help you accomplish your goals. After reading through the legal process, I think that you could probably do part of the process yourself under the "guidance" of an attorney. Eventually, you would definitely need an attorney or CPA with experience in filing tax-exempt status forms with the IRS.

Someone has probably looked into this process already and I apologize if I am repeating what you already know. The following is a summary of what I found out in my research.

It appears that there is a two-phase process you need to go through. The first phase is setting up a non-profit corporation with the State of Michigan and the second phase is applying for tax-exempt status for that non-profit corporation from the Internal Revenue Service. The first phase requires that several steps be followed. The steps include:

- 1) Selecting a name and possibly reserving it with the Michigan Corporation Division;
- 2) Drafting "Articles of Incorporation" for the company;
- 3) Filing the Articles with the State of Michigan (there is a fee of less than \$20);
- 4) Drafting "Bylaws," if you think your activities warrant formal rules governing the operation of the Boosters;
- 5) Creating a "corporate record book" to keep your documents in and your monthly meeting minutes;
- 6) If you hold property for charitable purposes, you must register as a trust with the Michigan Attorney General's Charitable Trust Division. (This step may not apply to the Boosters; your legal counsel should be consulted.)

- 7) If you intend to solicit contributions for charitable purposes, you have to register and obtain a charitable solicitation license. (Again, this step may not apply to the Boosters, either, although legal counsel should be consulted.)
- 8) Apply for an Employer Identification Number (EIN) to use in all your dealings with the IRS.

After completing these steps, you move on to phase two, which is to file the required documentation with the IRS to qualify for tax-exempt status. You have 27 months from the date you form the corporation to file for tax-exempt status with the IRS.

Because there are a number of decisions that need to be made on behalf of the corporation you are forming, it seems like a good way to start would be by first forming a committee that would be responsible for making all the decisions on behalf of all the members. The committee would have to have absolute authority to make decisions on behalf of the entire group. For instance, decisions need to be made concerning the following (and this is just a partial list):

- (a) Whether you want to run the corporation as a directorship (using a board of directors), a membership (whereby you adopt rules limiting the number and qualifications of members), or a stock corporation (where stock is issued in the company);
- (b) The quorum requirements for meetings, if you decide to be a membership or stockholder corporation as opposed to a directorship;
- (c) A non-profit corporation must have a president, secretary and treasurer;
- (d) Decide who the first board of directors will be and how long each will serve on the board.

After your committee makes these basic decisions, among others, the Articles can be prepared and filed with the State of Michigan to form the corporation. After your corporation is formed with the State of Michigan, only then can you apply for tax-exempt status with the IRS.

The reason that you would want to be a 501(c) corporation would be so that the Boosters would be qualified to receive contributions that are tax deductible by the donors. In order to accomplish that status, you need to file either a Form 1023 or Form 1024 with the IRS. In discussing this with one of my bosses, I am told that the application form is a bear to fill out and someone with experience in forming a tax-exempt non-profit corporation should be responsible for doing it. The form can be found on the IRS website, and looks to be about 30 pages long. According to what I have read, the preparer of the form must use caution in filling out the form because the IRS will thoroughly scrutinize every response, particularly the description of the Booster's activities and its fund-raising programs. It is not unusual for the IRS to send the organization one or more additional lists of questions or requests for further information.

Among other things, the tax-exempt application requires you to decide whether your corporation is to be a public charity or a private foundation, and there are qualifications that must be met and requirements and restrictions that apply to each type of entity. Your committee would need to discuss the pros and cons with the attorney and decide how to proceed.

There are also fees involved with the filing, which can run from \$400 to \$3,000, depending on the type of entity you are forming. Again, an experienced attorney would be able to tell you more specifically what fees to expect.

The application also requires that copies of solicitation materials must be attached if you have developed them at the time of filing. You also need to attach certified copies of your Articles of Incorporation and a copy of your bylaws.

I did not find anything that gave a time frame of how long the process would take altogether. From my past experience at work, forming new corporations can be a relatively simple and quick process (1 to 2 weeks, if you can get everyone to agree on the type of corporation and how it runs). In fact, filing the actual Articles of Incorporation with the State of Michigan can be done by fax and usually only takes 24 hours. So, from what I can see, the IRS tax-exempt status application is what takes the longest to accomplish.

The attorney I work for does not specialize in tax-exempt corporation filings. If you are serious in proceeding with this, I could ask him if he can recommend someone. My hunch is that he will direct you to one of the larger (and more expensive) law firms in Lansing, such as Foster Swift Collins & Smith. If you haven't already inquired of the School District, it may be best if you start with the administration office to see if they have an attorney they keep on retainer

who could help you out or who could provide you with a recommendation for an attorney to contact. An alternative idea is to put word out to parents who have children in the district who are in the legal profession to ask if they would be willing to donate some of their time for this effort.

I hope this information is of some assistance to you in deciding how you want to proceed.

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## Marching Band Uniform Donation Levels

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### **Gold: \$325 or more (5 donors)**

- Silver-level recognition
- Stitched label/tag in a uniform (for each \$325 donated)
- Special recognition at 2010 Greyhound Spectacular with “their” uniform(s)
- Sponsorship thank you announcement at home football games

### **Silver: \$100 or more (5 donors)**

- Bronze-level recognition
- Listed on (a new) donation recognition plaque to be displayed in band room or auditorium lobby

### **Bronze: \$25 or more (12 donors)**

- Certificate of Appreciation presented at the 2010 Greyhound Spectacular signed by directors, band booster officers and all 2010 marching band members
- Listed as a 2010/11 band sponsor on web site
- Thank you listing in all (GIS/MS/HS) fall and winter concert programs

### **All contributors will receive a (5 donors)**

- Thank you letter from Boosters at the time of their donation
- ER Hounds-Band window cling
- Listed in a community “thank you” ad in an early fall edition of The Flashes
- Invitation to band tailgate party at the 2010 Homecoming football game
- Personalized invitation to the 2010 Greyhound Spectacular