

St. Louis Alumni Association
Meeting Minutes Wednesday February 14, 2018
6:30 PM

Opening Prayer and Comments: Open meeting with Prayer, Pledge of Allegiance and MOMENT of Silence for departed members and Prayers for members our MILITARY. Chuck Sherman

Meeting Purpose : to address these ISSUES and assign PRIORITIES as we move forward in our future direction with regard to our MISSION as an association.

Discussion of: Items AA (Thibault), BB (Chretien), and CC (Brunelle) emails listed below.

Membership Status - Chair Marguerite (Peggy) Belanger.

Old Business-

BOD Approval of NON PROFIT STATUS

New Business-

Next Meeting: March 10, 2018

Good of the Order:

Adjournment and Closing Prayer-

Namely, and in no order of assigned priority, but listed below for reference purposes.

AA-From John Thibault-Jan 30, 2018

"Based on a suggestion from Roger Tremblay I contacted lawyer Norman Belanger (from Biddeford) regarding our tax issue. He informed me that our tax liability should not be a problem since we have been reporting it to the IRS regularly on our returns. However, he suggested, as did our accountant, that we pursue a non-profit status for the Association then we can make adjustments for the \$100,000 tax liability accordingly. If we don't change our status from our present Corporation C to non-profit we will most likely have to pay taxes on the \$100k. He provided advice pro-Bono. I wrote to him and asked if he would be interested in helping us process for nonprofit status but I haven't heard back from him.

The next step is for the Board to approve applying for non-profit status along with associated legal costs. Is there anyone on the Board who wants to volunteer to get the process going or be on the committee to follow thru on this? If so let me know.

Just a reminder to also keep up the initiatives going regarding membership and other committee taskings. Let's keep our MOJO going during the winter months so that we don't have to restart again in May. It's up to Chuck to call a meeting if required.

Contact me if you have any questions or issues. Thanks from "chilly" and some days darn right "cold" Florida. John"

BB-From Ben Chretien (Direct Quote) TAX ISSUE-Jan 31, 2018

..."In my humble opinion, you have a very complicated mess here. I suggest that the application needs to be handled by a professional with expertise in corporate law. Even though I submitted the initial application on behalf of the alumni back in the 70's, I believe the process of asking the IRS to change our status from a C Corporation to a Not for Profit is a lot more complicated. Substantial work has to be done beforehand such as by laws, financial

reports, rationale for change etc. You should keep in mind that your current model generates mostly taxable income from beanos and pull tabs. Even if the IRS approves non profit status, such income would be taxable as Unrelated Business Income (UBIT).

This is not a simple task to be handled by volunteers.

In addition, I understand that a significant gift was received that has not been reported. I do not believe an "alumni or social club" designation would avoid taxation based on my knowledge of tax codes. Some non profits achieve charitable status like churches, colleges, retirement funds, but usually not alumni. Thus gifts received are taxable and not tax deductible on the

donor's tax return. Again that is my opinion not that of a tax professional. In that regard, I'm not sure why the alumni elected not to report the income."

CC-From Norm Brunelle-Update TAX ISSUE-Jan 31, 2018

Having reviewed what is in this email compels me to put my two cents in.

"First - membership: This has been worked on for the last few years. The only success resulting from the bylaws change to open membership to women graduates of St. Joseph's/St. Louis. This resulted in an increase of some 30 new members. If the committee is not able to recruit some new members in an amount and of an age that can contribute to our future, then it's time to face reality. Give it a year.

Beano/Pull tabs: Here also, there is an age problem. It can only be expected that attendance numbers will gradually diminish over the next few years. Presently a source for much of our contributions and bills.

The age factor is also a concern for the staff that works the beano.

Non-profit: The remarks contained herein by Ben tells me this is more trouble than worth. Too much uncertainty that would cost too much money and really, what for? Why should we change anything when we cannot truly look forward to extending our future for more than 5 to 10 years.

I don't think we'll get in trouble by continuing as we have been and any 5 to 10 year plan should be geared to dissolution. That's not a happy thought, but??

The funds at UBS: The scholarship fund: Consider increasing annual use of the fund, this could be done in a number of ways and by those members who have dedicated so many years of themselves to our cause.

The alumni fund: As receipts may decline, it would be a simple matter to have UBS send a fixed monthly amount to help with the bills. This would last for many years."