

**SAWGA Special Officer's Meeting Minutes
June 20, 2022 - 5:00 pm - Wandermere**

1) Call to order -

Demaris Siconolfi, President called the meeting to order at 5:05pm

2) Roll Call

Demaris Siconolfi	President	
Debbie Zimmerman	Vice President	
Elsa Burk	Secretary	
Beth Wrigley	Treasurer	
Darcia Waples	Audit Committee	
Teri Zollinger	Audit Committee	Absent
Leslie Sevigny	Parliamentarian	

3) Business at Hand: SAWGA Tax Exempt Status

Demaris Siconolfi shared that Beth Wrigley had brought to her attention that there is a problem with our tax exempt status, and asked Beth to explain the situation. Beth shared that in 2013, according to the records, we obtained a new tax id number. In the letter attached to the new tax id number, it states that this new number does not give us tax exempt status, which needs to be filed for separately. There is no other information in the paperwork.

With the new tax id number, the 990EZ, the form for the tax exempt organization, was filed each year after that, from 2013 through 2020. Starting this year, the IRS requires the 990EZ to be filed electronically through a third party. You can no longer download the form and submit. So now every field on the form is checked electronically, and has to match the IRS database. This year Beth first filed the old way for the 2021 tax form. She received a letter in June stating the 990EZ must be filed the new way. So she filled it out, and it was rejected due to our organizational status. She tried it again using the 501c3 status, and it was rejected again. The email stated that she needed to call the IRS. After finally getting through to an IRS representative, he said that since we had never filed for our tax exempt status, we are not a tax exempt organization. Beth asked what the IRS had been doing with the tax forms we had been filing every year since 2013, and he stated that they had them on file. He informed Beth that the 1024 form needed to be completed and submitted. Beth researched the process, and states that it is a \$600 fee to file for tax exempt status. We actually fall under a social club, which is a 501c7, and we are qualified to be. It's the \$600 fee that is not in our budget. Demaris asked if the fee goes to the third party or to the IRS. Per Beth, it does not say who gets the money. The IRS states that the money needs to be paid through the third party website.

Demaris asked why we got a new tax id number in 2013. Darcia stated that we never did have one, and had never filed a tax return. Darcia had called the IRS when she realized that we didn't have a tax id number, and at that time she was told we are a "not for profit", so that's what she put on all of the subsequent tax forms. Darcia is surprised

because all the years she filed as a not for profit organization, it was not rejected. For nine years we were fine, and now we have to pay \$600. Beth is hoping that there aren't penalty fees along with the \$600. We would certainly fight it if there were other fees attached.

Darcia stated that we really are a not for profit organization as an amateur sports club. Beth stated that "not for profit" is on the state level, and "tax exempt status" is regarding federal taxes. We qualify for not for profit, but the federal designation is tax exempt status.

Darcia had started filing because she did not want to be in violation of any tax rule. Beth asked if our 18 hole ladies league file taxes (which they don't), and SAWGA is the same thing.

Beth states that at this point she cannot file the tax form because it will get rejected without the tax exempt status. Darcia is amazed because she remembers being told we have tax exempt status. Beth is stuck right now, because we are late filing the form, and she cannot do it without paying the \$600.

The fee to file for tax exempt status is probably a one time fee. Beth is concerned about additional penalties for previous years.

Since we are in the IRS system, the consensus is that we need to pay the fee to obtain tax exempt status. The tax exempt status form is the 1024. After that is approved we can file the 990EZ every year. There is a post card version available.

Another option would be to fold SAWGA, and create a new organization. We would still need to pay for tax exempt status, but we would not be on the line for any penalties. The only reason we have a tax id number is because some donors request a W-9 to claim their donations.

Darcia is concerned that the fee is so much. It is a new IRS ruling, along with needed to file electronically.

We do not have the available funds to pay the \$600. Any funds in the account are there to cover the certificates, and must remain in the account.

We put an expiration date of the certificates, which are actually winnings, not gift certificates. Discussed the difference.

Discussion of how to cover the \$600:

Unfortunately, the money can really only come from adjusting the Sweeps payouts.

Beth stated that everything in the budget gets paid out. This is a fee that would come out of the general fund. The Championship Tournament and Banquet is it's own line item and not part of the general fund.

The only way we can make it up is to pay out less for the remaining 2022 Sweeps. The best way to do this is to eliminate the new fourth place winnings.

Leslie Sevigney brought up the proper procedure to use before taking action.

Last year the Executive Board voted to increase the Sweeps payout. Making an adjustment to the Sweeps payout needs to be made by Executive vote.

Demaris will need to send out an email to receive votes (quorum needed).

Beth needs us to print out the bylaws, have two officers sign and date it. A scanned

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copy needs to be sent to Beth, so that she can include it with the tax exempt filing.
Demaris and Elsa will take care of this tomorrow.

Officer's Proposal:

Demaris proposes that the Executive Committee rescind the decision made last year to pay out fourth place winners, and that we omit fourth place payout for the remaining 2022 Sweeps.

Debbie Zimmerman seconded.

Accepted with five Yea votes.

Meeting adjourned at 5:42 pm.

Respectfully submitted by Elsa Burk, Secretary