



NEWS FROM NATIONAL

FROM: Frank C. Patek II, Executive Director
 TO: BMW CCA National and Service Officers,
 Chapter Presidents, Newsletter Editors
 DATE: March, 2008

MEMBERSHIP STATS as of 3/19/2008

	Full	Associate	Total
Current Membership	66,248	9,682	75,930
Last Month's Membership	66,141	9,687	75,828
Monthly Net Gain (Loss)	107	-5	102
Monthly % Change	0.16%	-0.05%	0.13%
Last Year's Membership	64,646	9,934	74,580
Annual Net Gain (Loss)	1,602	-252	1,350
Annual % Change	2.48%	-2.54%	1.81%
2006's Membership	65,835	9,416	75,251
Net Gain (Loss) for 2 years	413	266	679
% Change for 2 years	0.63%	2.82%	0.90%

New Members 1,011
 Renewals 49.36%
 Roundels Mailed 65,289

ASSOCIATE MEMBER DUES INCREASE

At their last meeting the National Board voted to increase Associate Member dues by \$5.00 to \$10.00 per year. A lifetime membership for Associate Member's will now cost \$155.00. This rate increase will go in to effect May 1, 2008. If you have any questions please do not hesitate to contact the National Office. 864.250.0022

NEW MEMBER BENEFITS

We are pleased to announce the introduction of two new member benefits. If you visit the member benefits section of the website you will find links that will allow BMW CCA Members to obtain special discounts for Brooks Brothers and all Anheuser-Busch Theme Parks such as Sea World, Busch Gardens and more.

Since 1818, Brooks Brothers has set the standard for business dress in America. Brooks Brothers can accommodate your corporate attire to business casual needs with their classic collections for men, women and boys. BMW CCA Members are now entitled to **15% Savings** on all regular and everyday value priced merchandise at all Brooks Brothers U.S. branded stores nationwide, by phone and online at BrooksBrothers.com. Simply visit www.bmwcca.org and click on Member Benefits to find out how you can sign up for your exclusive BMW CCA shopping discount with Brooks Brothers.

For the young and young of heart BMW CCA brings you Shamu Club, Club Busch Gardens and Club Sesame Place! **Shamu Club, Club Busch Gardens and Club Sesame Place** are the complimentary corporate membership programs of the Anheuser-Busch Adventure Parks, offering special savings and vacation deals to SeaWorld San Diego, SeaWorld Orlando, SeaWorld San Antonio, Busch Gardens Williamsburg, Busch Gardens Tampa Bay, Adventure Island, Water Country USA and Sesame Place. Admission discounts, exclusive offers and special events for Club members are all available online -- just a click away! The Club gives you up-to-the-minute park news and the most current offers quickly and efficiently.

To take advantage of these special offers, use the link below to sign up. You will be asked to provide your Company Code during the sign up process.

Company Code: 1552428

http://www.shamuclub.com/login/member_sign_up.aspx

Members will find this information under the Member Benefits portion of the Club website. ENJOY!

OKTOBERFEST 2008 IN HISTORIC WATKINS GLEN, NY, SEPTEMBER 23 – SEPTEMBER 27, 2008

The Oktoberfest dedicated website and forum went live on February 15 and we are getting more “hits” on it everyday. We already have more than 160 who have signed-up for this service. To stay informed, please subscribe to the Ofest 08 Mailing List. This is an announcement only list. To register for this list, send a message to ofest08-request@bmwccaofest.org with the word “subscribe” as the subject. Oktoberfest 2008 on-line registration opened on March 17 and if early bird registration is any indication, this will be the most successful Oktoberfest to date. Registrants are indicating that they love the package options. The M3 track package is definitely proving to be a track junkies’ dream. The co-host hotel, Watkins Glen Harbor Hotel, is sold out, but this is not a problem. The co-host Holiday Inn Hotel in nearby Ithaca is a nice venue. It began taking reservations in early March. There is still plenty of availability there, but be sure to book your reservations as soon as possible. A daily shuttle will be running from Ithaca to the track at Watkins Glen. We have already started our sponsor, vendor and advertising drive renewals and will soon begin searching for new companies interested in these opportunities at Oktoberfest. If you know anyone that fits this description, please contact Linda Axelson at (864)250-0022 or shoot her an e-mail at lindaa@bmwcca.org

The 2008 O’fest website is up and running, you can find it at www.bmwccaofest.org. Please have your newsletter editors and webmasters post a link to it!

**39th Annual Oktoberfest
Sept 23-27, 2008
www.bmwccaofest.org**

NEWSLETTER EDITOR/WEBMASTER CONFERENCE, SALT LAKE CITY, UTAH APRIL 4–6, 2008

Newsletter Editors and the Chapter Webmasters will attend, learn from, and network with other editors and webmasters at this bi-ennial informational conference. The Sheraton City Center is our host hotel.

BMW CCA will reimburse travel expenses as set forth in Section 4.1 of the club’s Operation Manual. Please have your designees review that section so that they know what travel expenses are reimbursable. Expense report forms will be distributed at the conference and may be submitted to National for reimbursement.

Please contact Linda Axelson in the National Office if you have any questions. You can reach Linda at 864-250-0022 or lindaa@bwmcca.org.

Preliminary Agenda is as follows:

Friday April 4, 2008

Registration/Reception 8:00 PM – 10:00 PM

Saturday April 5, 2008

Seminars 9:00 AM – 5:00 PM

Key Note Speaker **Jeff Crilley**, Veteran Dallas TV Reporter, "Free Publicity" www.jeffcrilley.com

Samuel C. Straight, from Ray Quinney & Nebeker, (Salt Lake City) "The Law as it Affects Websites and Newsletters."

Douglas Cole – Web Programmer for Larry H. Miller Advertising, (Salt Lake City) "Database Driven Websites"

Other speakers will include: BMW CCA President, **Bruce Hazard**, Executive Director, **Frank Patek**, BMW CCA EVP, **Mark Jon Calabrese**, *Roundel* Editor-In-Chief, **Satch Carlson**, MSR Editor, Rocky Mountain Chapter **Darlene Doran**, Webmaster Golden Gate Chapter, **Brian Ghidinelli**, Editor-In-Chief, BMW CCA.org, **Bill Howard**, Golden Gate Chapter Newsletter Editor, **Kelly Kirkland** and BMW CCA's own webmaster, **Jeff Petzel**.

Sunday April 6, 2008

Seminars 9:00 AM - Noon

Chapter Newsletter Expense Requests

Printing and postage rebate requests for the 2007 Chapter Newsletter expenses are due by March 31, 2008. Requests should be directed to Peggy Helmke at the National Office. Printing and Postage Expense Request forms may be submitted online at www.bmwcca.org or you may download the form and mail or fax it to the National Office.

2008 Annual Meeting Takes Place in Greenville

On March 8, 2008 the Annual Meeting was convened at the National Office in Greenville, SC. At that time the newly elected officers were sworn in and began their term of office. The new Board consists of:

- President: Bruce Hazard
- Executive Vice President: Mark Jon Calabrese
- Secretary: Mike Mills
- Treasurer: Louis Goldsman
- North Atlantic RVP: John Sullivan
- North Central RVP: Len Mueller
- Pacific RVP: Steve Johnson
- South Atlantic RVP: Paul Dunlevy
- South Central RVP: Mark Doran

Outgoing President Scott Blazey commented on his pride in the Club and its membership and that he considers it both a pleasure and an honor to have served as President. Scott commended the staff for their service and

excellent work done while the club was without an Executive Director. He made special note of the fact that our chapters remain the backbone of the Club and thanked them for delivering outstanding value to the members.

New President Bruce Hazard took the opportunity to mark the occasion by presenting awards to outgoing South Central RVP Fred Iacino and to outgoing President Scott Blazey.

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BMW CCA Board Seeks Candidates for Ombudsman Vacancy

Currently the BMW CCA has an opening for Ombudsman. An Ombudsman serves as an intermediary for members who are attempting to resolve an ongoing dispute with manufacturers, dealers, repair shops, parts suppliers or others. If you, or someone you know, are interested in this position please contact Frank Patek, BMW CCA Executive Director. Please include your contact information, member number, and a written statement listing your qualifications for the position and why you are seeking the appointment.

The Board will use your written statement in their preliminary evaluation and will contact you if they need additional information. Depending on the number of candidates, after the preliminary evaluation, the Board may select a number of candidates for telephone interviews before making a final decision. The period for accepting statements from members seeking the appointment will end at 12:00 Noon Eastern Time on Wednesday, April 23, 2008.

Club members who want to be considered for appointment should send their name, BMW CCA membership number, and a statement listing their qualifications for the position and why they are seeking the appointment by e-mail, fax, or physical mail to:

Frank Patek II Phone: 864.250.0022
Executive Director Fax: 864.250.0038
BMW Car Club of America E-mail: frank_patek@bmwcca.org
640 South Main St Suite 201
Greenville, SC 29601

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ZF Public Service Awards and BMW CCA Charity Matching Funds

Thank you to the 20 chapters who submitted applications for the 2007 ZF Public Service Awards and the BMW CCA Charity Matching Funds.

Chapter applications for the 2008 ZF Public Service Awards and Charity Matching Funds Program were due at the National Office on March 17, 2008. The ZF Public Service Awards are sponsored by ZF Sales and Service, NA, located in Vernon Hills, Illinois. In addition, chapters that raised funds for charity last year are eligible to receive a percentage of the matching funds allocated in the BMW CCA budget by the National Board. The same application serves both purposes.

BMW CCA chapters that conducted charitable or public service activities in 2007 should have applied for a 2008 ZF Award. Please note that eligible activities included not only fund-raising events, but other activities in which the chapter provided service and involvement assistance to a worthwhile cause or community activity.

For administrative purposes, the ZF Award application and BMW CCA Charity Matching Funds application are the same form. Application for the ZF Award is automatically an application for BMW CCA Matching Funds, and vice versa. Do not complete two separate forms; one is sufficient.

Chapters submitting the ZF Award Application collectively donated approximately \$110,000.00 to the charities of their choice. More than 4500 Club Members participated in these activities and involved more than 3000 non club

members through their efforts. Members donated more than 2000 hours of their time having fun and giving back to their communities.

Maintaining the Chapter in Good Standing

To: All chapter Presidents and Treasurers

Subject: IRS Filing Requirements

Date: February 15, 2008

In the past, only those BMW CCA chapters that normally had gross receipts in excess of \$25,000 per year were required to file a return with the Internal Revenue Service (IRS). Starting this year (for tax years ending December 31, 2007) ALL BMW CCA chapters are required to file a return or notice with the IRS.

As in the past, chapters with gross receipts normally equal to or in excess of \$100,000 must file IRS Form 990 – Return of Organization Exempt From Income Tax. A chapter with gross receipts normally in excess of \$25,000 but less than \$100,000 may elect to file IRS Form 990-EZ – Short Form Return of Organization Exempt From Income Tax instead of Form 990. Starting now, chapters with gross receipts normally equal to or less than \$25,000 **MUST** file the new IRS Form 990-N – Electronic Notice (e-Postcard). All filings are due by the 15th day of the 5th month following the end of the chapter’s accounting period. For BMW CCA chapters this is May 15, 2008. An automatic 3 month extension to file a Form 990 or 990-EZ is available, to August 15, 2008, by filing IRS Form 8868.

Links/URL addresses are provided at the end of this message.

Some points to consider -

Filing Requirements:

- Gross receipts are defined in the regulations as “the total amounts the organization [chapter] received from all sources during its annual accounting period, without subtracting any costs or expenses.” (Underscore added)
- “Normally” means the average of the last 3 years including the most recent year. (There are different limits for chapters that are less than 3 years old.)
- For chapters required to file Form 990 or Form 990-EZ a penalty for filing late may be charged at \$20 per day, not to exceed the smaller of \$10,000 or 5% of the gross receipts of the organization. A chapter that fails to file the required form(s) for 3 consecutive years will automatically lose its tax-exempt status.
- No financial penalty will be applied for failure to file a 990-N (for chapters with gross revenues normally under \$25,000) but the automatic loss of tax-exempt status will apply for failure to file for 3 consecutive years.

Form 990-N Completion Information:

- The Form 990-N must be filed electronically through a third-party (The Urban Institute) that the IRS has contracted with for this purpose. The link to the website to get started is <http://epostcard.form990.org/>.
- The chapter will be requested to create a Login ID and provide its Employer Identification Number (EIN, sometimes referred to as a taxpayer ID number). For a Login ID I suggest using the chapter’s internet domain name (e. g., nccbmwcca – the middle part of the website address). Request an ID for an ‘Exempt Organization,’ not a ‘Preparer.’ After creating the Login ID you will be able to create/submit a 990-N.
- The 990-N is a one-page + questionnaire that other than a “yes” or “no” question (“Are your gross receipts normally \$25,000 or less”) doesn’t require any financial information. Other than asking if the

chapter terminated or went out of business all requested information is to verify/provide names and addresses.

Forms 990 and 990-EZ Completion Information:

- Each chapter that normally has gross revenues in excess of \$25,000 must individually file a Form 990 or 990-EZ. WE DO NOT FILE A GROUP RETURN (Not to be confused with "Group Exemption Number" – see discussion below.)
- The Group Exemption Number (GEN) (Form 990 heading item I and Form 990-EZ item F is 5390. Our old GEN (9226) has been closed. All chapters are included under our GEN. This means that all chapters individually qualify as a Section 501(c)(7) – Social and Recreation Club tax-exempt organization. For Form 990 heading item H(a) should be "No," H(b) should be "N. A.," H(c) should be "N. A." and H(d) should be "YES."
- Form 990 heading item M and Form 990-EZ heading item H boxes should be checked ("not required to attach Sch. B")
- The chapter member rebate received from National is reported on Line 3.
- Gross revenues from chapter activities, such as driving schools, etc., are reported on Line 2. The related expenses are reported on Line 13 on Form 990 and Line 16 on Form 990-EZ.

Form 990-T Exempt Organization Business Income Tax Return

Finally, just because your chapter is a 'qualified organization exempt from income tax' it doesn't mean your chapter may not have to pay any income tax. Any income from activities and sources not related to the reason the chapter qualifies as an exempt organization, such as social interaction of members to share a BMW experience, is not exempt from tax. One reason for this is to prevent not-for-profit organizations from actually running a business in competition with for profit businesses. It does not matter that the reason you generate the income is to allow you to do the things that do qualify for exemption from tax.

For BMW CCA chapters this generally includes any advertising or investment revenues. As for advertising, because a business or corporation cannot be a member of a qualified Section 501(c)(7) organization, any business advertising in a chapter newsletter, etc. is considered to be unrelated (and therefore, taxable) income, even if the owner and perhaps sole proprietor of the business is a member. This does not include sponsorship revenues where there is no expectation of any substantial return benefit by the sponsor other than the use or acknowledgement of the sponsor's name, logo or product lines in connection with the activities of the chapter. Offering something for sale is advertising, not sponsorship revenue.

If the chapter's unrelated gross income is \$1,000 or more it must file Form 990-T. However, unlike the filing requirements for Forms 990, 990-EZ and 990-N discussed above, gross income here is defined as gross receipts minus the cost of generating the receipts. Thus, for example, an allocable portion of the cost of producing and mailing the chapter newsletter should be deducted from the revenues from newsletter advertising. If the chapter does meet or exceed the filing threshold, only the net profit from the unrelated business activity is subject to tax. When completing the Form 990-T expenses directly related to the taxable gross revenue are deducted to arrive at taxable income.

An automatic 6 month extension to file a Form 990-T is available by filing a separate Form 8868 (separate from a request for an automatic 3 month extension to file a Form 990 or 990-EZ). However, any tax due must be paid by May 15, 2008; interest and penalties may be applied for late filing and late payment of taxes due. These are in addition to any possible penalties related to a late filed Form 990 or 990-EZ.

Form 990-T Completion Information

- As a general rule, a chapter may have income reportable in Part I, Line 9 – Investment income (such as bank interest) and/or Line 11 – Advertising.
- If the Total, Line 13, Column A is less than \$1,000 a Form 990-T is not required.

- If the Total, Line 13, Column A is not over \$10,000 the total deductible expenses (Column B) need be shown only on Line 13 – Total and none of the supporting schedules (A through K) need be completed.

Links

The following are links to the ePostcard and IRS websites for each of the forms discussed above and their instructions.

Form 990-N – Electronic Notice (ePostcard) starting point –
<http://epostcard.form990.org/>

Form 990 – Return of Organization Exempt From Income Tax -
<http://www.irs.gov/pub/irs-pdf/f990.pdf>

Form 990-EZ – Short Form Return of Organization Exempt From Income Tax -
<http://www.irs.gov/pub/irs-pdf/f990ez.pdf>

Form 990 and 990-EZ Instructions -
<http://www.irs.gov/pub/irs-pdf/i990-ez.pdf>

Form 990-T – Exempt Organization Business Income Tax Return -
<http://www.irs.gov/pub/irs-pdf/f990t.pdf>

Form 990-T Instructions –
<http://www.irs.gov/pub/irs-pdf/i990t.pdf>

Form 8868 – Application for Extension of Time To File an Exempt Organization Return
<http://www.irs.gov/pub/irs-pdf/f8868.pdf>

As always, if you have any questions or need any help I can be reached at treasurer@bmwcca.org or (805) 499-3849 (Pacific time, afternoon or evenings)

Best regards,
Louis