

BMW CCA News From National

TO: BMW CCA National and Service Officers, Chapter Presidents, Newsletter Editors

FROM: Frank C. Patek II, Executive Director

January 2010



Well, it's certainly been a nasty winter! I hope you had a warm and thoughtful holiday season—and now we're a month into the new year! Here are some current news items you may wish to share with your members, as well as essential chapter information you need to know!

New BMW CCA chapter formed in Oregon

For years, BMW CCA and the last remaining group of BMW Automobile Club of America members in Oregon have discussed the possibility of a merger—that's how the large and successful CCA chapters in Seattle and Los Angeles came into being—but the ACA always has maintained their independence. Now a determined group of BMW CCA members and other enthusiasts in Oregon have formed a CCA chapter to serve the needs of our members in the Beaver State as well as a portion of southern Washington State—an area that gets our latest Pacific Northwest chapter off to a good start with 700 members within its borders. Serving as the first President of the Oregon Chapter is Brian Cone; its Vice president is Eric Wisham, while Ahn Lee serves as Secretary and the Treasurer's duties are filled by Trayson Harmon.

Congratulations to the fifteenth chapter of the Pacific Region!

BMW CCA elections run to late February

January began election season for the BMW CCA. The following candidates are running for office: **Treasurer: Louis Goldsman and Michael Harman. Pacific RVP: Jeff Cowan and Delight Lucas. North Atlantic RVP: Dyke Morrissey, Scott Stowell, and John Sullivan.**

Statements written by these candidates may be found in the election forums of the BMW CCA website and in the January issue of *Roundel*. Reading these statements will help you understand why they are interested in becoming elected leaders of the Club—but whatever their reasons, we applaud their dedication and spirit of volunteerism. Without our volunteer leadership, we would not be the Club we are today.

A series of by-law amendments also appear on the ballot this year. The amendments are being proposed in order to bring the by-laws up to date with contemporary standards, to ensure consistency and clarify confusing language.

In order to give all candidates the opportunity to freely express their positions, we neither edit nor correct these statements. Unless they are clearly libelous or defamatory, they appear as submitted. Only the candidates vouch for the accuracy of any facts or allegations contained herein. Nothing presented in these statements reflects any official position of either *Roundel* magazine or the BMW CCA, and we cannot be held responsible for any errors of fact.

If you would like to learn more about our candidates, we encourage you to visit the election forums on the Club website. There you may find more detailed statements from each candidate. Members will also be able to pose questions to the candidates in forums that have been created for each of them. You will also be able to read more about the proposed by-law amendments.

Members are able to vote on line or by using the paper ballot cards that found inside the January issue of *Roundel*. By visiting www.bmwcca.org and entering a seven-digit unique identifier,

you can safely—and securely—record your vote for the candidates and for the proposed by-law amendments. **Primary members will find a unique identifier attached to the mailing label affixed to the election notice included with *Roundel*. Associate members will receive a postcard in the mail, giving them a unique identifier to use when casting their ballots.**

Only members in good standing as of December 15, 2009, may vote in this election. Voting began on Monday January 4, 2010, and **closes February 26, 2010**, at noon Eastern Standard Time. Results will be posted on the Club website that same day at 5:00 p.m. EST.

Oktoberfest 2010: Elkhart Lake and Road America!



GET FUELED UP AT OKTOBERFEST

Join us at Road America, Elkhart Lake, Wi.

	Monday 8/23	Tuesday 8/24	Wednesday 8/25	Thursday 8/26	Friday 8/27	Saturday 8/28	Sunday 8/29
To register, or for more details, visit www.bmwccaofest.org or call 800-878-9292	First Timers' Meeting	Concours	TSD Rally Gymkhana Car Control Clinic Driving School Club Race School	Autocross Car Control Clinic Driving School Club Race School	Autocross Driving School Club Race	BimmerMeet II Driving School Club Race	Driving School Club Race
	Fun Rally Beach Party	Fun Rally Buffet	Fun Rally Lunch at Road America	Fun Rally Buffet at Road America Karting Drive-In Movie	Fun Rally Final Banquet		

The Osthoff Resort (www.osthoff.com) at Elkhart Lake is now sold out. However, the resort has started a waiting list, and if last year is an indicator, there will be rooms available later in the summer. If you don't want to take a chance, we have added a block of rooms at the legendary **Siebkens Resort**, right next door to the Osthoff (www.siebkens.com). Please call 920 876-2600 to book your reservations.

Siebkens features the famous Stop-Inn Tavern, internationally known as “the best bar on the racing circuit.” Additionally, we have secured a block of rooms at the [Baymont Inn & Suites](#) in Plymouth, Wisconsin. To make a reservation at the Baymont, please call 920 893-6781, 7:00–5:00 (Central Time) Monday through Friday. You may also send e-mail to one of the following addresses: seidesha@gmail.com or ertelhal@wynhg.com. Please use the group code: BMW Car Club of America when making your reservations.

- **Liberty Mutual** will sponsor the opening night/welcome party.
- **Bridgestone** is scheduled to sponsor the two-day autocross and the drive-in movie at Road America.
- **Odometer Gears** will sponsor the TSD Rally.
- **BMW North America** will again sponsor the final banquet and the BMW test-drive program.

Chapter Congress: March 5-7, 2010

This year's Congress will focus on developing a strategic plan for your chapter, new-member recruitment, membership retention, officer training, officer roundtables/idea exchange, working with your local dealerships, and chapter accounting. [Rick Barnes](#), a personal and corporate success coach, will be our featured speaker.

BMW CCA will reimburse travel expenses as set forth in Section 4.1 of the Club's Operations Manual (see below) for up to three delegates, those serving as the President, Treasurer, and Membership Chair.

Registration is now available online at bmwcca.org and is located under BMW CCA Chapter Forms: [Chapter Congress registration form](#).

Please contact Linda Axelson in the national office at lindaa@bmwcca.org or 864 250-0022 with any questions.

DRAFT AGENDA FOR 2010 CHAPTER CONGRESS – subject to change

Friday

7:00PM - 9:00PM

Welcome Reception

Saturday

7:30AM - 8:00AM

Continental Breakfast

8:00AM - 8:15AM

Intro's and Welcome

8:15AM – 9:00AM

General Session

Crisis Communication, Logo Standards

9:00AM – 9:15AM

Break

9:15 AM – 11:50 AM – Officer Roundtables

9:15AM – 10:00AM

President, Treasurer, Recruitment, Foundation

10:10AM – 10:55AM

National SVCS, Social Media/Marketing, Recruitment, Foundation

11:05AM – 11:50AM

National SVCS, Social Media/Marketing, Recruitment, Foundation

Noon – 1:00PM

Lunch

1:00PM – 3:00PM

General Session

Rick Barnes -- Leadership Development

3:00PM – 3:15PM

Break

3:15PM – 5:15PM

Case Studies with RVP's

7:00PM – 9:00PM

Dinner/Chapter Awards

Sunday

7:30AM – 8:30AM

Continental Breakfast

8:30AM – 9:30AM

DEC

9:45AM – Noon

Regional Breakouts

Strategic Planning

ZF drops charity awards, but BMW CCA maintains matching funds

The ZF Corporation has announced that they will no longer fund the annual competition among chapters to determine which has achieved the highest level of charitable activity in a given year. While ZF regrets this decision, it is unavoidable as a sign of our current economic climate. With the return of a better economy, ZF hopes to reinstate the program next year.

The Club, however, will continue to match a *pro rata* share of chapter charitable contributions up to a maximum of \$20,000. Please send your Matching Funds applications in as soon as they are complete.

End-of-year membership numbers still show decline

Then encouraging news is that even with holiday distractions and the grim reality of a slow recovery from the recession, we still signed up over a thousand new members for the month, and our renewals continue at over 50%. Our annual membership loss was just under 3.5%, keeping our two-year decline close to 5% (it had been 5.26%; as of January 20, it was 5.04%).

The chapters, of course, are the vital centers of Club activity—and only through chapter recruitment

and enough activities to satisfy their member's can we hope to grow the Club. Thank you for your continued efforts in this regard—we'll continue to do all that we can on the national level, but it's really the work of the chapter volunteers that makes membership in the BMW CCA so worthwhile!

MEMBERSHIP STATS as of 1/20/2010			
	Full	Associate	Total
Current Membership	62,807	9,379	72,186
Last Month's Membership	62,826	9,321	72,147
Monthly Net Gain (Loss)	-19	58	39
Monthly % Change	-0.03%	0.62%	-0.05%
Last Year's Membership	65,046	9,621	74,667
Annual Net Gain (Loss)	-2,239	-242	-2,481
Annual % Change	-3.44%	-2.52%	-3.32%
2007 Membership	66,141	9,682	75,823
Net Gain (Loss) for 2 years	-3,334	-303	-3,637
% Change for 2 years	-5.04 %	-3.13%	-4.80%
New Members: 1,048 Renewals: 57.19% Roundels mailed: 64,241			

BMW CCA National Board Meeting and Annual Meeting set for March

Where? BMW CCA headquarters, Greenville, SC.

When? March 20 – 21, 2010

The National Board will meet Saturday, March 20, at 8:00 a.m. and will adjourn no later than 4:55 p.m. The BMW CCA Annual Meeting will convene at 5:00 p.m. ET on March 20th. If needed the National Board will reconvene on Sunday March 21st at 8:00 AM ET to address any open items on their agenda.

As always, BMW CCA members are welcome to attend the meeting. Those willing to endure the full day meeting on Saturday are invited to dinner that evening. If you plan to attend please contact Linda Axelson at the National Office at (864)250-0022 or via her e-mail lindaa@bmwcca.org.

Forms, forms, and more forms...

It's that time of year again—when we ask you to wear out your keyboards and Number Two pencils completing forms and files to send to the National Office. While it might seem like a lot of busy work, it is really very important; without the timely filing of the forms listed below, the National Office cannot provide your chapter with the services you require. Unfortunately, any chapter not complying with the deadlines for necessary forms is subject to probation and the withholding of their chapter rebates.

Chapter Forms due dates:

- Chapter Officer and Administration Form (mandatory): This form must be submitted by each chapter by March 15, 2010, or within two weeks of the chapter election (whichever happens earlier). The form must then be resubmitted each time chapter officers change. This form is critical to maintaining timely communication between National and the chapters, and is required in order to meet minimum standards of chapter performance.
- Chapter Financial Statement (mandatory): All chapters must submit this form yearly as part of the minimum requirements to maintain "good standing" as a BMW CCA Chapter. Due March 31, 2009.
- Chapter Label Request (mandatory): Used to notify National of your chapter's mailing-label needs for the calendar year. Please return by January 15, 2009.
- Charity Matching Funds Program: Due by April 1 (voluntary)

Remember, your chapter must file an IRS return!

Chapter treasurers should be aware of federal tax and information filing requirements. Starting with tax year 2007—December 31, 2007, for BMW CCA Chapters—all chapters were required to file a return with the Internal Revenue Service (IRS). Depending on filing-requirement thresholds, chapters were required to file either an IRS Form 990-N, Electronic Notice (ePostcard); a Form 990-EZ, Short Form Return of Organization Exempt From Income Tax; or a Form 990, Return of Organization Exempt From Income Tax. For tax year 2008 and beyond, the thresholds that determine which of the three Form 990s a chapter must file were revised:

- The threshold for filing the Form 990-N has been revised from last year's threshold. Chapters with gross receipts normally equal to or less than \$25,000 for tax years before 2010 and equal to or less than \$50,000 for tax years 2010 and later **MUST** file the new IRS Form 990-N – Electronic Notice (e-Postcard).
- For tax year 2009, chapters with gross receipts greater than \$25,000 and less than \$500,000 and total assets less than \$1,250,000 may file either the Form 990 or Form 990-EZ.
- Beginning with the 2010 tax year, chapters with gross receipts greater than \$50,000 and less than \$200,000 and total assets less than \$500,000 may file either the Form 990 or Form 990-EZ.
- All filings are due by the 15th day of the fifth month following the end of the chapter's accounting period. For BMW CCA chapters, this is May 15th. An automatic three-month extension to file a Form 990 or 990-EZ is available—to August 15—by filing IRS Form 8868. ***Failure to file required returns for three consecutive years will result in the automatic loss of the chapter's tax-exempt status.***

Form 990 has been extensively redesigned and expanded, effective for 2008 tax years (returns filed in 2009 and later). The new Form 990 consists of an eleven-page, eleven-part core form that must be completed by all organizations that file the form, and schedules to be completed by those organizations that satisfy the applicable requirements for each schedule. ***Based upon prior years, no BMW CCA chapter should be required to file a Form 990 (versus Form 990-EZ) for tax year 2009***—and it is unlikely that a chapter will meet the requirements to file Form 990 instead of Form 990-EZ for tax year 2010 and later.

Although Form 990-EZ was not extensively redesigned, some minor changes have been made so that certain information previously required to be submitted as *attachments* will now be reported on *schedules*. Organizations that file Form 990-EZ must review the instructions for Schedules A, B, C, E, G, L, and N to determine whether they must report any of their activities or information on those schedules.

Links/URL addresses to the IRS forms and instructions are provided at the end of this article. 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 three years, including the most recent year. (There are different limits for chapters that are less than three 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. The penalty may also be charged if the organization files an incomplete return, such as by failing to complete a required line item or a required part of a schedule.
- No financial penalty will be applied for failure to file a 990-N (for chapters with gross revenues normally under \$25,000/\$50,000), but the automatic loss of tax-exempt status will apply for failure to file for three consecutive years.

Form 990-N Completion Information:

- 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-plus questionnaire which requires only “yes” or “no” answers to questions (“Are your gross receipts normally \$25,000 or less?”); it doesn’t require any financial information. Other than asking if the chapter has been terminated or gone out of business, all requested information is to verify/provide names and addresses.

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-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 organizations.
- 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 of Form 990-EZ.
- Gross revenues from chapter activities—such as driving schools, etc.—are reported on Form 990-EZ Line 2. The related expenses are reported on 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*—exempt activities include 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.

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 those 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 six-month extension to file a Form 990-T is available by filing a separate Form 8868 (separate from a request for an automatic three-month extension to file a Form 990 or 990-EZ). However, any tax due must be paid by May 15; 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: www.irs.gov/pub/irs-pdf/f990.pdf

Form 990 – General Instructions: www.irs.gov/pub/irs-pdf/i990.pdf

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

Form 990-EZ Instructions: www.irs.gov/instructions/i990ez/index.html

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

Form 990-T Instructions: www.irs.gov/pub/irs-pdf/i990t.pdf

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

(Note: The links above were current as of January 2010. Please check the IRS web site (www.irs.gov) for the latest version of all forms and instructions. 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).—*Louis Goldsman, Treasurer, BMW CCA*