Ohio AHEAD Board Meeting Agenda

January 4, 2018

9am-10am

Present: Michelle, Karen, Mallory, Carey, Tom, Alex, Michael, Dori, Jenn, Tammy, Brenda

Jenn thanked Michael Smith for assisting Ohio AHEAD.

**NOTES IN BOLD SUPPLEMENT THE ORIGINAL AGENDA**

1. Discussion with Michael Smith regarding his recommendations for the financial organization and structure of Ohio AHEAD.
   1. Consult an attorney and draft articles of incorporation (we recommend changing the official name slightly to add “Inc.” at the end, maybe Ohio Association of Higher Education and Disability, Inc.) – then have the attorney file the articles with the Ohio Secretary of State. The attorney will charge for the preparation, and there is also a filing fee with the State. I have some attorneys if you need a referral. Note that there **must be a dissolution clause** in the articles (this statement indicates what will happen to any accumulated funds when the organization is dissolved. **POTENTIAL COST:** **$150 for attorney; filing fee with Ohio $75; Exempt Status fee $275; 1020EZ Filing—can be done by organization and have Michael Smith review $75/hr.; register with Ohio-no fee. Potentially $800 to do everything---these are one-time costs.**
   2. Apply for a new federal ID number (you already did this, we recommend setting up a new one using the “Inc.” name as noted above). The idea is to disregard the prior ID number that was previously requested.
   3. Apply to the IRS for exempt status as a 501 (C)(3) organization with an effective date of January 1, 2018. The application is Form 1023-EZ. This form is filed online at Pay.Gov. This is a link to a PDF of the form so that you will know what info you’ll need to complete online <https://www.irs.gov/pub/irs-pdf/f1023ez.pdf>  The IRS charges $275 to apply for exempt status. Once you have applied, the IRS will send a determination letter.
   4. We can assist in the completion and filing of the Form 1023-EZ as you need. This will be billed at hourly rates. Our rates vary based on experience level and average around $125/hour; my hourly rate is $150.
   5. Finally, register with the State of Ohio as a 501 (C)(3) charitable organization. You will need a copy of your articles to upload when registering. This is done online on the Ohio Attorney General’s website. <http://charitableregistration.ohioattorneygeneral.gov/>
   6. We recommend that the effective date of the organization be 01-01-18 and that you are a calendar year organization. Then, for 2018, you will need to file a Form 990-N (what they refer to as the postcard) by May 15, 2019 and file the annual registration with the State of Ohio. There is no fee for the 990-N (generally you can file the 990-N if your average gross receipts are < $50,000). There is no fee for Ohio if your gross assets at the end of the year are < $25,000.
2. **February 1, 2018 conference call – keep or cancel?**

A few days after the Retreat we have a conference call scheduled for Feb. 1. Will leave on the calendar for now and decide at the Retreat if it is needed or not.

1. **Committee updates**

**Mike Southern (Vendors)---positive feedback. A few have confirmed for 2018 conference. New contact for Blackboard. Provide Mike with referrals for vendors for 2018 conference.**

**Brenda Cooper (Membership)—updated for now. Reached out to Institutions who paid but need member information. Adam is out of office now so Brenda will catch up with him.**

**Carey and Amanda are working on Winter Retreat plans—January 26 at The Ohio State University from 10am-4pm.**

**NOTES FROM CONFERENCE CALL**

* **If non profit organization and collect $5000/year, you have to report to IRS. We most resemble a 501(C)(3). We have collected over $5000 over last few years. We applied for a federal ID number but not tax exempt status. Recommendation: we are not a fully formed organization. Ohio AHEAD should start fresh as of 1/1/18 per recommendations above.**
* **We would be considered a for profit organization in current status and need to file tax for the previous years. Could be scrutinized by IRS. Changing name to include INC, register with the state, file for exempt status, and use new information moving forward. Making these changes will help us “fly under the radar”.**
* **How long does approval take?** IRS required to respond in timely manner but may take 60-90 days to finalize.
* **Carey—in order to make fresh start, we need new ID # and that would include name change.**
* **What are costs moving forward?** If we make all the changes, filing costs if gross receipts are under $50,000 over 3 years, we can do 990. For Ohio, we need to register every year and report annual revenues, if not much revenues, no costs. In Ohio if we have assets over $25,000, we may have minimal fee. Upkeep of the filing is minimal. We would have minimal upfront costs and little to no costs moving forward.
* **What happens to current federal ID number?** The current number disappears. We only used it to establish a bank account. If IRS picks up on this, we might have to file tax for previous years.
* **Do we need to establish a new bank account with new federal ID number? Yes.**
* **Any concerns since we are affiliated with national organization?** We have to be completely independent from AHEAD. We can use the name but everything needs to separate. We are not obligated to share financial information with AHEAD.
* **If we don’t follow recommendations and happen to be audited, what will that cost?** Time and expense of accounting professional.
* **If we move forward with for profit status, we could keep current federal ID, would need to file taxes, and could be scrutinized by IRS.**
* **Organizations need capital to start so having our current balance may not raise suspicion.**
* **Fiscal year recommended as Jan. 1-Dec. 31. We are considering July-June.** 990 filings and Ohio are due the 15th of the 5th month after the end of the fiscal year. We would need to look at timing of Conference and other activities.
* **If we move forward, next steps are name change, articles and federal tax ID request.**
* **Michael offered assistance with referrals to assist us in the process.**