

Tellico Village Computer Users Club

August 18, 2009 Special Board Meeting

1:00 PM Meeting called to order by Dick Schmeling recognizing that a quorum was present.

Board Members Present: Dick Schmeling, Jan Schneck, Vince Alline, Dennis Malcolm, Dean Miller and Jim Peterson

Board Members Absent: Sharon Addison and Bob Foster

Also in attendance: Warren Sanders

VACANT VICE PRESIDENT POSITION

- Dick Schmeling opened the meeting by stating that Sharon Addison was invited but was unable to attend.
- The primary purpose of this meeting is to discuss the orderly continuation of Club leadership and activities in the temporary absence of the President because we have no Vice President in office. Dick Schmeling made the following 2-part motion: 1) In recognition of, and in the spirit of compassion for, the serious health condition of her husband and unavoidable changed priorities, I move that the TVCUC Board place TVCUC President, Sharon Addison, on an indefinite sabbatical leave during the balance of her elected term. Such leave shall be effective as of 8/18/09. However, it is understood that Sharon will be welcome to return to the office and duties of TVCUC President for the balance of her elected term, when and if her personal circumstances permit, and when or if she notifies the Board of her ability and willingness to do so. 2) In the current absence of an elected TVCUC Vice President, and in accordance with Section 5 of the TVCUC By-Laws, it further moved that the TVCUC Board appoint Warren Sanders to the position of TVCUC Vice President effective 8/18/09. Jan Schneck seconded this motion.
- Considerable discussion followed regarding the whole of the motion with general agreement that Part 1 of the motion was unnecessary except as an explanation of the motion to appoint Sanders as Vice President.
- **Dick Schmeling modified his motion to state that in the current absence of an elected TVCUC Vice President, and in accordance with Section 5 of the Club By-Laws, the Board appoints Warren Sanders to the position of Vice President effective 8/18/09. Jim Peterson seconded this motion. The Board approved.**

PLAQUE FOR TAP FACILITY

- Many months ago, the Board began discussing attainment of a plaque to be displayed in the Chota Rec Center Room D recognizing the Club's founder, Bob Wilson.
- At the October 14, 2008 Board Meeting, the Board passed a motion which authorized Jan Schneck to acquire a plaque at a reasonable cost. Soon after, the Board was advised by the POA that such a plaque could not be displayed in Room D as it was used as a public meeting place. Since the TAP group has rented its own space, discussions of a plaque have been revived.
- **Jim Peterson motioned to rescind the previous resolution of October 14, 2008, and to now purchase a suitable plaque containing the inscription, "In recognition of his efforts at founding and directing the Tellico Village Computer Users Club through its formative years, be it resolved that the Technology Access Program facility shall henceforth be known as The Robert D. Wilson Center for Excellence in Computer Technology" and that a copy of this decree shall be prominently displayed at the facility. Dean Miller seconded this motion. The Board approved.**
- Following some discussion regarding the size and style and the presentation of a like plaque to Mr. Wilson, Jim Peterson agreed to find out where to purchase the plaques and to order them.
- **Dick Schmeling motioned to authorize Jim Peterson to spend up to \$250 for the purchase of 2 plaques. Dennis Malcolm seconded this motion. The Board approved.** The Board also agreed that if a suitable picture can be obtained before the plaque is completed, it may be included on the plaque.
- Sanders wants to put up some kind of banner proclaiming the TAP facility as "The Robert D. Wilson Center for Excellence in Computer Technology" in time for the September 1 Open House there. The Board agreed to leave the decision on the banner and the production of it to the folks who work over there.

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TAP SEPTEMBER 12 OPEN HOUSE

- Schmeling advised that he had spoken with Channel 3 about filming the Open House and was told that they wouldn't be able to do that, but they would have no problem with soon doing a promotional piece in their studio with 2 people doing a follow-up on it. Since that would serve as a fund-raising effort, Schmeling suggested that perhaps Rose Keilhacker or someone in the fund-raising group could be a part of that.

TAX SITUATION

- Schmeling explained that the Club's 2009 annual sale volume now exceeds the annual limit (\$4,800) permitted for non-profit corporations. Current volume and frequency of TAP-repaired equipment sales gives rise to our immediate need to comply promptly with such law, i.e. (1) register as a TN retailer, (2) establish and maintain appropriate purchase and sale records and (3) pay TN Sales and/or Use Taxes on a recurring periodic schedule. Unfortunately, IRS 501(c)3 Non-Profit Corporation status and Tennessee Sales Tax-Exempt status does not relieve the Club from being subject to TN Sales/Use Taxes, as and where applicable under TN law. We must be aware that the TVCUC TN Sales tax exemption applies only to purchase of goods or services used or consumed in the conduct of the Club's purpose. It does not apply to the purchase of goods or services incorporated into items that TAP repairs and sells, even though the equipment sale income is used only to pay TAP expenses necessary to keep the program going. This is why income from cash donations is more desirable than equipment sales income to support TAP expense needs.

Using purchased parts, for which no TN or other state Sales Tax was paid when purchased, in "pass-through" computer systems donated to children is also a problem. Where TAP uses such parts, a TN Use Tax (equal to the Sales Tax on just those parts) is also required to be paid by TVCUC, or by the system recipient.

For this reason, Schmeling suggested that TAP purchasers pay the sales tax "up front" when making future parts purchases – ink cartridge and paper purchases, in particular. This should negate the major Use Tax issue, because ink cartridges are always replaced and are a major contributor to replacement/new part expenses.

Schmeling said he discussed the Sales/Use Tax matter with the Knoxville TN Tax Revenue office late last week and will be discussing the matter with a TN licensed CPA and a TN tax auditor later this week. He will inform the Board of his findings and suggestions for the TAP Committee to follow after that.

Schmeling will follow up on this issue after further discussions with the CPA and the tax auditor.

TAP EXPENSE

- Schmeling advised that the fund-raising arm of TAP will exceed budget by about \$100 as the brochures and postage are running more than expected. He asked the Board to approve that additional expenditure.
- **Jim Peterson motioned to approve an additional \$100 for fund-raising expenses of the TAP program. Jan Schneck seconded the motion. The Board approved.**

MEETING ADJOURNED 2:15 P.M.

NEXT GENERAL MEETING SEPTEMBER 1, 2009 @ 7:00 P. M. AT THE NEW TAP FACILITY (behind Catino's Restaurant)

NEXT BOARD MEETING SEPTEMBER 8, 2009 @ 3:00 P.M. AT THE CHOTA REC CENTER

Janice Schneck, Secretary

September 6, 2009