

## **Minutes SMART board meeting**

July 23, 2017

attending: Katrina Parkinson, Roberta Troxell, Laura Hartwick, Kraig Paulsen, Vici Whisner

### **New Members**

A welcome email should be sent out to all new members, some new members have mentioned not receiving this.

Kraig has had trouble inviting people to join the yahoo group because he doesn't have the privileges needed, he is going to try to sort that out with Rob and Michelle so that new members would receive an invitation email directly from the yahoo group.

He has been sending an email asking them to join the email list via yahoogroups, and is also inviting people to join the facebook page. It was mentioned that neither are used all that much so do not see a lot of traffic.

Kraig is going to investigate a newer high tech way to do the club email and website and paypal.

### **Purchasing**

The Board had approved buying tunnel huggers, timers, software. Since there is no club credit card, Janet has been the only one able to buy the thing or someone has to buy something and get her to purchase it. Janet does not want to get a credit card because it is a problem for her as treasurer. Katrina would like to, A. Clarify with Janet that she is fine reimbursing people for purchases they make or sending a check for purchases that they make, and B. Clarify who is going to buy the items discussed. Usually Ernie has been purchasing the equipment and that is generally the extent of purchases. This is a question for when Janet returns from vacation.

### **Coolers**

Michelle needs some new coolers for hospitality and lunch. The lunch area also needs some canopies. The board approved to purchase new coolers and 2 new canopies. There are some good ones at Costco that are high quality and well priced. Katrina will talk to Ernie and see if he can do this, she also offered to get them and get them to the trailer.

### **Secretary Software**

Katrina purchased the secretary software and is learning to use it so she will know how to do it by the January trial. Karla won't need it for the August trial, so she will use the computer with Karey's software for the August trial.

Does SMART want to start using the new software and not always be reliant on Karey, especially in light of Karey is not planning on attending the New Years trial? Using the new software means that there are double databases, so to use Karey's as well, is a lot more work for the secretary because there would be double data entry of new people into it. So it might make sense to commit to it for all the trials.

Would that work for Karey that SMART is starting to use the new program? It sounds like there has been a misunderstanding with Karey about the two different softwares

and she may believe that we do not value her and her software. This would be so far from the truth, Karey, her secretary database and her skills are very much valued by everyone. This software is supposedly becoming a new standard for all the trials in two years is another reason Katrina has suggested using this. Maybe an email would be useful to her telling her how much we value her hard work and that we are actually trying to support her and help her, Roberta will draft an email from the board to make sure that Karey understands SMART's reason for using the new software and letting her know this this move is actually to support her and help her so she is not beholden to all the trials, including the New Years trial and send it to Karey. The new software is supposed to be helpful to Karey doesn't feel beholden to do all the secretarying for all trials, and not to be a trouble for her.

### **Compensation, 1099s, Paying Trial Secretaries**

Bay Team had a problem with compensations, Katrina resigned from the Bay Team board because of this problem. Bay Team and SMART are set up very similarly, and Bay Team now will be giving out 1099s for compensation because the numbers are very high on the compensations. It would appear to be a gray area with non profits, and tax professionals asked informally had different positions on this. If you are operating from a defensible position, you should not be penalized for not doing 1099s. SMART should do their due diligence and get a defensible position.

Different clubs are all dealing with this issue differently. TRACS is going to discontinue free entries, and give their workers entries at cost. So all workers get the same discount of wholesale entries. That way the judge cost and filing is all covered. Kraig asked, is this the same result, but the value is now discounted?

Because the club is losing money on these people, the club gets a discounted rate and it is not compensation. If the club was actually losing money, it would become a cost. Not exactly a solution, just another way of looking at it. Kraig pointed out that either no compensation or compensation and paying taxes are the only ways to do it without a gray area.

If we did the financials, not paying anyone.

Laura pointed out that bay team has a spreadsheet that in their minutes from the July 1 2017 trial that shows the compensations, and what the trial revenues would be without compensating so many positions.

Vici pointed out that we started compensation because nobody wanted to do the difficult jobs. So the harder jobs were compensated. For instance, a crew chief job which is a hard, all day job, vs setting some bars. From a trial chair's point of view, they have a hard time finding someone to be a crew chief, so she hires the same people because nobody else wants to do it.

If this was the case, perhaps they should be getting 1099s so they can get the compensation. Katrina pointed out that people doing jobs like crew chiefting don't get to warm up and run their dogs as they would like to, because they are always working. so

not getting compensated for these hard jobs is also tough because of that, they are sacrificing some of their runs to be able to do these difficult jobs effectively.

It was also pointed out that there are people on disability and with complex tax situations who will be messed up if they get a 1099.

The consensus is that the only way to really figure this out is seeking legal help, and tax help. Bay Team talked to a legal person, but not a tax person. This is tax advice, Katrina advises talking to a tax person, a non profit tax accountant/specialist that specializes in non profits.

Kraig does not want to put himself at risk without doing something legally, and suggests that SMART gets legal advice. He sees it as black and white-volunteer only, or compensated only.

Motion was made to seek out a non profit tax person to talk to, and approved. Katrina volunteered to work on this with Janet. Janet is the clear person to be able to work on it because she has all the spreadsheets and financial advice.

Another part of this complex issue is the 49% Rule. Board members cannot be compensated outside of just being compensated for being a board member, ie, double dipping. For instance, a board member can't be compensated for other jobs performed at a trial, this might be illegal. This is a question for the tax person, is this barter or is this compensation? What is important that SMART is not doing anything illegal. Board certs also fall under this because the board receives certs yearly as compensation for board service. Should board members be allowed to accept compensation for jobs outside of the board? Should board members get a free entry and be expected to work instead? Or just be expected to work as a volunteer?

Secretaries-Currently they are being paid by check, per dog. So that is a clear 1099 area as they are receiving pay for services. Katrina suggests right away this is changed to either for sure doing a 1099 or offering free entries. This should probably be changed right away for the August trial,. Motion is made to change compensation for August trial to be 2 entries for trial secretary, all voted for it with one opposition. Kraig's opposition is to make the entire trial volunteer starting in August, and not put on the trial if not enough people wanted to volunteer. Laura suggested that since we are keeping the other jobs as is in terms of compensation for now that switching the secretary to the same status would keep everything consistent, and then try to figure the compensation status out after the August trial, since the date is coming up quickly. Kraig agreed to this.

### **Clean up the Trailer Day**

Roberta suggests a day to clean out the trailers and re-organize. Perhaps to organize with Ernie when he returns.

### **General Meeting**

Katrina would like to have a SMART general meeting for all members. Perhaps Sat Aug 19 6pm at Morgan Hill Dog Sports, with a running dogs starting at 4:30. Vici will check

and see if that date is open. Laura will check with Kathleen to see if Heart Dog is available as well.

Meeting is adjourned at 8:20pm