

## TREASURERS REPORT NOVEMBER 2008

Welcome to the November BOD.

It has been an honor to serve as your treasurer. Not being an accountant, I have relied on our national office and accounting firm to sort out and keep track of the numbers. Amy has done an excellent job for our society. My main function is to make sure the bills are correct and get paid.

We have progressed from a mom and pop national office to a modern, efficient (and bondable) control center. We are now meeting the requirements of good business practices. With an audit committee in place and functioning well, we are doing things right. The audit committee fills the gap we had in keeping track of income and deposits.

Non profits are under more scrutiny from the IRS of late so it is comforting to know that we are in compliance.

### THE NUMBERS

The financial reports that are generated for the BOD are in a format that hopefully can be understood by both accountants and the rest of us.

We operate on a June through May fiscal year. There is always some overlap of income and expenses as this date includes financials from two symposiums. FUSION advertisers also pay in various sequences. This makes it difficult sometimes to get a clear picture.

By taking a function or event by itself, like symposiums, a clearer set of numbers is possible. Comparing several years also can show a trend.

I will ask Amy if she can generate a report on FUSION like we have on the symposiums.

We rely on some profit from FUSION and symposiums to balance the books. We do not receive enough money in memberships to cover expenses, Saving money on taxes and getting a grant or two will help our bottom line. See the 501C3 proposal under new business.

Another cost saving this year, thanks to a presidential proclamation from Past President Bob Singer, is having PROCEEDINGS available on CD format instead of printed form. Why didn't I think of that.

Doing more electronically as Jack had done with the BOD agenda and reports will save mailing costs. Thanks, Jack!

I expect that our mutual funds investments are continuing to take a big decline in value with the present financial crises. We do not need this money right now so all we can do is wait it out and see what happens.

These went from \$54,384 on 6/30/08 to \$45,847 as of 9/30/08 Ouch!

We have over \$64,000 in certificates of deposit for cash back up.

At Jack's instructions, Amy moved money over \$100,000 to First Citizens Bank of North Carolina to insure that it was covered by FDIC. At that time, it was not clear if congress was going to raise the limit to \$250,000.

This will be my last report as treasurer. This function will be the responsibility of Victor Matthews. Thank you Vic!!

I will be helping with the transition as needed.

Frank Meints

Treasurer ASGS

November 25, 2008

## PROPOSAL TO CHANGE THE ASGS FROM 501C6 TO 501C3 CLASSIFICATION.

The ASGS was and is classified as a 501C6 organization. This is an Internal Revenue Service classification for tax purposes for non profit organizations. This rating is used for fraternal organizations and service clubs. This rating fit the ASGS in the early years. We have grown and progressed from some glassblowers having a beer together, to a society that has introduced the seminar program, junior and regular member seminars, mentor program, publications containing how to and scientific information, symposiums containing demonstrations and posters, educational section meetings and collaboration with Salem Community College.

The classification 501C3 is for organizations the are among other things, scientific and educational. In a conversation with an IRS agent, we definitely meet that criteria. This classification is under the general heading of charities. We do not have to be a charity to meet the requirements.

To apply for this classification, the ASGS needs to amend its charter and fill out a irs Form 1023 and send in an application fee of \$750.00

I am not sure what the procedure is to amend our charter or the cost at this writing.

Our present charter is lacking two items that are now required for all 501 charters.

A full copy of the requirements will be distributed at the BOD. You may also log on to [irs.gov/charities](http://irs.gov/charities)

1. In short, we need to state that earning will not be distributed to members except for reasonable compensation for services rendered and that we will not engage in political activities.
2. Upon dissolution of the corporation, assets will be distributed to one or more exempt purposes -- another non profit or to the government.

### Benefits of 501C3

We can be exempt from state sales tax. State tax on one issue of FUSION is over \$600.00, A state will issue a tax exempt I. D. upon getting a federal determination letter.

Charitable donations by individuals can be tax deductible.

We can also save 33 to 50 percent on mailing costs.

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We will be eligible to receive grants. Grants can be for programs, equipment and operations.

(Mike Souza is going to take a class in grant writing. There may be others out there already experienced.

Grant reporting takes time and usually administrative costs are included in the grant.

This is an outline for discussion. Jack has suggested that we form a committee to look at all the details and procedures.

I think this is worth the effort to not only save money on taxes but to have another avenue to enhance our educational programs.

Frank Meints  
Treasurer ASGS