

CTMB Meeting – February 22, 2007

The meeting was called to order at 7:05 p.m., CDT, by Chair, Clyde E. Dunphy. Members present were Clyde Dunphy, Janice Hight, Sandee Lovett, Mary L. Price, Mary W. Price (joined at 8:00 due to change in time posted for meeting), Dave Helming and Mary Jane Spackman. Absent were Chris Lyden and Tom McGill.

Minutes of January 25, 2007 were approved. Moved by Janice Hight; seconded by Sandee Lovett. Motion passed by unanimous vote.

Chairman's Report: As directed by the CTMB, Clyde contacted Summer Poris of the Newfoundland Club of Northern California to request a financial report to document its funding request for rescue costs incurred in 2005.

The partial funding request for the Rabies Challenge presented by NCA member, Jan Boggio, to the CTMB at the January meeting, is still with RAC for review and recommendation to the CTMB.

Secretary's Report: None

Treasurer's Report: Mary L. Price presented the Trust's cash balances as of February 22, 2007. Newfoundland Health Challenge: checking account—\$6,689.90; savings account—\$1,022.00; invested in CDs—\$168,990.22; Health Challenge total—\$176,702.12. Rescue Fund: checking account—\$3,307.36; invested in a CD—\$8,900.80; Rescue total—\$12,208.16. Scholarship: checking—\$1,000.00; invested in CD—\$5,169.65; Scholarship total—\$6,169.65. Trust Management checking—\$2,426.11. Total Charitable Trust—\$197,506.04.

Rescue: Mary Price reported that she received an email from Nancy Bynes of Northern California Newfoundland Club containing a fiscal report for 2005 reporting a beginning balance of \$1,039.50 and an ending balance of \$3,537.87. Clyde Dunphy will thank Northern California for forwarding this information.

A discussion followed on a review/help policy for rescue grant criteria to the regional clubs. It is the goal to alert the regional clubs that if they need money, the CTMB has grants available and that all requests need to reflect financial status. A policy will be developed and presented to the CTMB by Clyde Dunphy and Mary L. Price for the March 22, 2007, meeting.

Kathy McIver, Regional Club Liaison, joined the teleconference at 7:30 to present the following letter prepared by Mary L. Price and Kathy McIver to address the use of funding available to regional clubs for incorporation and annual grants for liability insurance premium costs:

NCA, Inc. Grant proposals:

- NCA, Inc. to provide one-time grants to regional clubs, on an as-needed basis, for legal fees, registration and incorporation fees, etc., for state and federal incorporation of regional clubs and their affiliated charities.
- NCA, Inc. to provide annual grants to regional clubs, on an as-needed basis, for annual liability insurance premium costs for regional club rescue work.

Not all regional clubs will need this assistance. Some regional clubs are already incorporated, and some regional Newfoundland clubs have already formed qualified 501(c) 3 affiliated organizations. Also, some qualifying regional Newfoundland clubs have already been granted 501(c) 4 exemption status.

Regional Newfoundland clubs are recognized as independent groups, each with their own by-laws, members, treasuries, policies, etc.

The Newfoundland Club of America, Inc. is recognized by the Internal Revenue Service (IRS) as a 501(c) 4 organization.

Based on the current IRS criteria, the Newfoundland Club of America, Inc. does not qualify as a central organization, and therefore, cannot hold a Group Exemption. The IRS's Group Exemption criteria includes, but is not limited to:

“To qualify for a group exemption, the central organization and its subordinates must have a defined relationship. Subordinates must be: Affiliated with the central organization; Subject to the central organization's general supervision or control; and Exempt under the same paragraph of IRC 501(c), though not necessarily the paragraph under which the central organization is exempt.” *IRS Pub. 4573*.

“...the central organization must submit (b) a sample copy of a uniform governing instrument (charter, trust indenture, articles of association, etc.) adopted by the subordinates; or, in the absence of a uniform governing instrument, copies of representative instruments; (e) a statement that each subordinate to included in the group exemption letter has furnished written authorization to the central organization as described in section 4.03;” *IRS Rev. Proc. 80-27, 1980-1 C. B. 677*.

An example of an organization that meets the IRS Group Exemption Letter criteria is the Girl Scouts of America. Members of local troops are members of the Girl Scouts of America. Each local troop follows the same policies, uses the same logos, and are under the general supervision and control of the national organization. Portions of funds generated by local troops are forwarded to the national organization.

Regional clubs' members are not members of the Newfoundland Club of America by virtue of their membership in a regional Newfoundland club. Regional Newfoundland clubs' treasuries are not co-mingled with or controlled by the Newfoundland Club of America, Inc.'s treasury.

The Newfoundland Club of America, Inc. and its Charitable Trust are insured by Equisure, Inc. for liability insurance. Qualifying as a AKC member club and as a recognized AKC parent club, this policy provides liability insurance for the Newfoundland Club of America's Newfoundland rescue work

Regional Newfoundland clubs can obtain advice to determine adequate liability insurance coverage for their activities. Rescue service providers can review their homeowners', renters' and automobile liability insurance coverage to determine if adequate liability insurance coverage is provided for their rescue activities.

The following insurance agents are willing to assist clubs with rescue related liability insurance coverage:

The Hartford
c/o Gary Wirth
Maury Donnelly & Parr, Inc.
Baltimore, MD
410-547-3262
gwirth@mdpins.com

Kennel Pak, Inc.
P. O. Box 931
York, PA 17405
1-800-237-7015
sharon@kennelpak.com

Safeco Insurance
8954 Westhaven Court
Saint Louis, MO 63126
314-729-7608

Internal Revenue Service (IRS) regulations and additional information regarding exempt status for organizations can be found at www.irs.gov

Clyde Dunphy moved to approve the document/letter and forward it to NCA, Inc., for approval; seconded by Janice Hight. Sandee Lovett will place this on the agenda for the next scheduled meeting of NCA, Inc. Mary Price will draft a cover letter to accompany the document. It will include an invitation that NCA, Inc., is welcome to refer the review process back to the CTMB along with the funds if approved.

Kathy McIver and Mary Price will hold a roundtable discussion at the National for the Regional Clubs to review this information.

Kathy McIver left the meeting at 7:50 p.m..

Old Business: Dave Helming reported that 12 of the 24 Dannyquest "Double Dare" statues have been produced for the 2007 National Specialty. Dave reminded the CTMB of the necessity to meet the timelines for this project.

The request from NCA member, Patti McDowell to transfer the forelimb anomaly records from the University of Michigan to OFA was discussed. If the records can be transferred at no cost and ownership transferred to the NCA, Clyde Dunphy will serve as the facilitator. If this transfer is completed, H&L will be asked to encourage continuation of this project.

The request from NCA members Jan Boggio and Patti McDowell to establish a DNA database for Newfoundlands was discussed. It was suggested that Jan Boggio and Patti McDowell present a business plan to the CTMB to address this request. Clyde Dunphy suggested that Jan and Patti also contact Lori Littleford who has expressed an interest in a DNA database.

New Business:

Clyde Dunphy reported on the illness which is affecting Cherrie Brown's ability to serve as chair of RAC and her request to resign as the chair of RAC. It is the recommendation to appoint Sharon Brandt as the interim chair of RAC. Moved by Mary Jane Spackman; seconded by Dave Helming. Motion passed by unanimous vote. Clyde will inform the AKC/CHF of the change as well as the trustee.

Recommendations for the NCA committee appointments will be made at the next CTMB meeting along with the two positions that will open on the CTMB to the trustee. Two director positions (Hight and McGill) expire at the Annual Meeting. They will be replaced with a director to serve a three-year term and a director to serve a two-year term.

The next meeting will be the fourth Thursday in March, which is March 22, 2007 at 7:00 p.m., CDT.

Janice Hight motioned to adjourn; Dave Helming seconded. Motion passed.