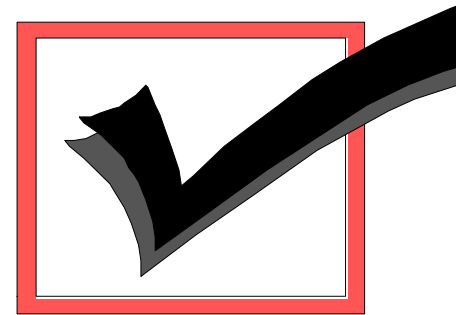


# AVA CHECKPOINT



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## TAW Deadline

The deadline for the October, 2008 issue of *The American Wanderer* is August 25. All articles and photographs should be submitted directly to: The American Wanderer, Laurel Parrott, Editor, 3526 Humboldt Ave. N., Minneapolis, MN 55412, email [TAW@bhi.com](mailto:TAW@bhi.com) Be sure to include "TAW" in the subject line of the email.

## IRS Q&A, By Bob Wright

Have a question or comments? Contact Bob at 43224 Cardston Pl, Leesburg VA 20176 or [rwright2@jhu.edu](mailto:rwright2@jhu.edu)  
**Disclaimer:** Bob is not a tax professional or lawyer. He volunteers his time to research and write this column, offering general guidance and advice. AVA members always should seek professional help when dealing with tax-related matters.

**Our club solicits contributions. What are we supposed to do?** You may not realize it, but your club may be "soliciting" contributions. Solicitation in civil law is defined as "any request or appeal, either oral or written, or any endeavor to obtain, seek or plead for funds." That means any direct, or indirect, request for a contribution—for example, a donation jar at a walk, or an appeal for a donation on your club's membership form or in its newsletter. (If someone just hands you a donation, say at your walk, or puts a little something extra in with a year-round registration, without *any* request on your part, that's not soliciting—you didn't ask for it.)

Thirty-eight states and Washington DC have charitable solicitation registration laws that apply to nonprofits such as volkssport clubs. If your club resides in one of those jurisdictions and/or solicits funds in any of them, you need to comply with the law of each. (Those that have no requirement: DE, ID, MT, NE, NV, TX, and WY; if using paid solicitors only - HI, IN, IA, SD, and VT.)

Some money your club collects is not a contribution: e.g., dues, registration fees for events, and fees for services (e.g., bus trips). BTW, if you receive a grant, some states consider that a solicited contribution. And in some states, registration must precede any solicitation.

As Don Kramer, a Philadelphia lawyer who specializes in non-profit matters, succinctly puts it, unless you are exempt or excluded, you are legally required to register in order to solicit in those jurisdictions. From my quick review of state requirements, if you don't receive much annually, you may well be exempt or excluded!

How should *you* proceed? Do you solicit contributions? If yes, continue.

- How much do you receive in a year?
- In which jurisdiction(s) do you solicit? (Where you solicit, not where the people come from.)
- Find out your jurisdiction's requirement. (If you have a lawyer or paralegal in your club, ask them. A web search on "[your state] and charitable solicitation" returned the needed results for me. I also refer often to Gary Grobman's *The Nonprofit Handbook*, which includes a section with state-by-state information on charitable solicitation.) You may need to file, perhaps file for an exemption, or may be excluded from filing; maybe your state has no requirement.

If solicited contributions to your club are few and small, you might escape detection, but realize that you might be breaking the law. The fines your club might incur to break the law could greatly exceed the cost of registration.

## Correction to E-Postcard instructions

"When the on-line form asks, 'Are your gross receipts normally \$25,000 or less?'; if yes, you would proceed. If not, I suspect you would get a message telling you to stop and file a Form 990 or 990-EZ. There was some confusion about when to answer yes.

## E-postcard Instructions one more time

Some of you have had difficulty submitting the e-postcard so in an effort to help, we are running Bob's previous column with the instructions. Note the Correction to that column as shown above.

- Get your ID and password in hand. You saved them when you registered, right? If not, see the April 2008 Checkpoint on-line at [www.ava.org](http://www.ava.org) (or contact me for a copy of it).
- Log in to: <https://epostcard.form990.org/frmSecurityLogin.Asp?StatusRequired=LoggedIn>
- If you haven't registered yet or forgot your password, you may resolve these issues from this page also. Have your EIN handy to register.
- Page 1: Answer the 2 questions using the pull-down menus.
  - Has your organization terminated or gone out of business? Yes or No.
  - Are your gross receipts normally \$25,000 or less? Yes or No. If yes, I suspect you would get a message telling you to file a Form 990 or 990-EZ. Per the IRS, annual gross receipts (i.e., all money received in your tax year) are considered less than \$25,000 if
    - Your club has been *in existence for 1 year or less* and received, or donors have pledged to give, \$37,500 or less during the organization's first tax year;
    - Your club has been *in existence between 1 and 3 years* and averaged \$30,000 or less in gross receipts during each of its first 2 tax years; or
    - Your club is *at least 3 years old* and averaged \$25,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which calculations are being made).
  - The rest is filled out based on your registration (yes, the organization defaults to AVA, just like when you registered)
    - Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN)—from your letter from the IRS.
    - Tax year: 7/1/2007-6/30/2008 for those AVA members part of the AVA's group exemption.
  - Click Next Page.
- Page 2: (proof all entries for accuracy; once submitted you cannot amend your e-Postcard—you must wait until next year; FYI, no punctuation accepted)
  - Enter your club's name in DBA1 (doing business as) since the registration defaults to AVA but the EIN is yours, not the AVA's.
  - Enter your club's mailing address and, if you have one, its website.
  - Enter a principal officer's name (consider using your president) and address.
  - Click submit.

## Important Reminder

All clubs MUST update their club officers and submit their Financial Report no later than November 15. In addition, all clubs under the AVA 501(c)(3) umbrella MUST log into the IRS system and complete the e-postcard. See above for a rerun of the instructions.

## New Field in Event Sanctioning

To make sure your events come up on the AVA YRE map, nothing can be entered in the City field except for the City name. To allow you to put various titles or other identifiers in the listing, we have added an Event Name field. Please use this to put things like, "Capitol" or "near Tulsa", etc.

## Deserving Volunteers?

Remember to submit your volunteers for awards. To be presented at the AVA Convention, you must have the nominations to your Regional Director no later than November 1, 2008.

## Change to Checkpoint

The double columns have been removed to help with the emailing of this document.

## Event Map

When you go to find YRE/Seasonal events there is now a map that you can click on to select a state and see the event locations.