



NEWS FROM NATIONAL

FROM: Frank C. Patek II, Executive Director
 TO: BMW CCA National and Service Officers,
 Chapter Presidents, Newsletter Editors
 DATE: February, 2008

MEMBERSHIP STATS as of 2/19/2008

	Full	Associate	Total
Current Membership	66,141	9,687	75,828
Last Month's Membership	66,141	9,682	75,823
Monthly Net Gain (Loss)	0	5	5
Monthly % Change	0.00%	0.05%	0.01%
Last Year's Membership	66,193	9,850	76,043
Annual Net Gain (Loss)	-52	-163	-215
Annual % Change	-0.08%	-1.56%	-0.28%
2006's Membership	65,820	9,365	75,185
Net Gain (Loss) for 2 years	321	322	643
% Change for 2 years	0.49%	3.44%	0.86%

New Members 1,135
 Renewals 49.15%
 Roundels Mailed 65,203

BMW CCA HAS A NEW EXECUTIVE DIRECTOR!

...and here I am! This is my third week on the job and my first report. First let me say what an honor it is to have been selected to lead the National Office staff and thank you to everyone who has welcomed me with open arms to the club. I can personally attest to the fact that, as you read in last months report, it was a long and exhaustive search and interview process. When it was over I took a week off, but now I am on the job and doing my best to keep up to the pace set by the Board and Staff. We are working hard to improve the Club for you in many ways. But what is most important to me is that we exceed your expectations for customer service.

This is your Club and we are here to make certain you have the best possible experience at all times. To that end I am instituting a series of conference calls with each Regional Vice President and the Chapter Presidents in their respective regions. February 19, 2008 marked the first call and it was held with the North Central Region. I hope these calls will allow us to know each other better and will give you an opportunity to voice your thoughts, concerns, wants and needs as Club Leaders.

Please remember that we have a Newsletter/Webmaster Conference coming up in April and it is important that your chapter send representation.

My door will always be open and I look forward to working with each of you.

* * * * *

NEWSLETTER EDITOR/WEBMASTER CONFERENCE APRIL 4-6, 2008

Please note the dates. Two representatives from each Chapter, the persons serving or about to serve as the Chapter Newsletter Editor and the Chapter Webmaster may travel to **Salt Lake City, UT** to learn and network with other editors and webmasters. The Sheraton City Center will be our host hotel.

Please contact Linda Axelson in the National Office know if you have any questions or additional topic suggestions. You can reach Linda at 864-250-0022 or lindaa@bwmcca.org. To register directly you may visit <http://www.bmwcca.org/node/10735>

BMW CCA will reimburse travel and lodging expenses as set forth in Section 4.1 of the club's Operation Manual for up to *two authorized* representatives per chapter. Please have your designees review that section so that they know what travel expenses are reimbursable and under which rules. Chapters may elect to send additional attendees at the chapter's cost, but they must register ahead of time.

If there is any question about whether an individual is eligible to represent the chapter at this conference, please contact the National Office for a determination before the individual registers or makes airline arrangements.

Preliminary Agenda is as follows:

Friday April 4, 2008
Registration/Reception 8:00 PM – 10:00 PM

Saturday April 5, 2008
Seminars 9:00 AM – 5:00 PM
Key Note Speaker Jeff Crilley "Free Publicity" www.jeffcrilley.com
Our own Webmaster Jeff Petzel will deliver a presentation on creating your own website and more.
Dinner following seminars

Sunday April 6, 2008
Seminars 9:00 AM - Noon

The registration form is available online at [bmwcca.org](http://www.bmwcca.org).

* * * * *

GREAT NEWS ON LIABILITY INSURANCE. NO INCREASE FOR 2008!

We are pleased to announce that the rates that Chapters will pay for event insurance for 2008 will be the same as in 2007. We were able to hold the line on our general liability policy for this year. We'd like to thank Bill Wade, who coordinated the renewal, and Pete Lyon, or liaison to Wisenberg. The procedures that chapters must follow also remain the same. Chapters must complete the application (available from the [bmwcca.org](http://www.bmwcca.org) website), and send it in with payment in advance of the event. If you need an insurance certificate, submit the form at least two weeks prior to your event.

The 2008 rates are:

TYPE OF EVENT	RATE PER EVENT
Driving School conducted pursuant to the BMW CCA Operations Manual standards	\$1,400
BMW CCA Club Races	\$1,650
BMW CCA Club Race held in conjunction with a BMW CCA Driving School	\$1,550
Autocross	\$ 275
Car Control Clinic a/k/a Safety School	\$ 275
TSD Rally (Time-Speed-Distance)	\$ 275
Fun Rally	\$ 150
Gymkhana	\$ 150
Tours	\$ 150
Concours a/k/a Car Show	\$ 150
Social Events / Tech Sessions	\$ 0

As before, Chapters may request a rebate after completing the event on rallies, gymkhanas, tours, and concours/car shows. Rebate requests must be made within thirty (30) days of the event being held. The rebate application is also available from the website.

One of the reasons we can arrange these rates is the confidence that Wisenberg has in us that we follow our own standards at all times, and that we are diligent in getting everyone at our events to sign the insurance waiver forms. Don't let the Club down. Know the event standards and adhere to them. Please, please make sure that everyone signs the waivers, that the waiver headers are properly filled out, and that the waiver witness portion is also signed. Be especially vigilant with minor waivers, where applicable. If you have any questions, don't hesitate to call the National Office.

Chapter Newsletter Expense Requests

Printing and postage rebate requests for the 2007 Chapter Newsletter expenses are due by March 31, 2008. Requests should be directed to Peggy Helmke at the National Office. Printing and Postage Expense Request forms may be submitted online at www.bmwcca.org or you may download the form and mail or fax it to the National Office.

BMW CCA ELECTION

2008 BMW CCA National Election Results

Balloting for the 2008 BMW CCA national election is complete and the results are in. Bruce Hazard, running unopposed, is the new BMW CCA President-Elect. Incumbent Executive Vice President Mark Jon Calabrese won his re-election bid over Leonard Mueller. John Sullivan, running unopposed, was re-elected as North Atlantic Regional Vice President. Mark Doran will be the next South Central Regional Vice President, finishing ahead of J.R. Schneider. Turnout for this election was significantly higher than those of recent years. In the race for Executive Vice President, for example, a total of 3451 votes were cast, a 15 percent increase over the number of

votes in the contested EVP election two years ago. Even more dramatic was the 48 percent increase in votes cast in this year's race for the South Central Regional Vice President position over the same race two years ago.

Bruce Hazard has served as BMW CCA Secretary since 2005 and will be taking over from Scott Blazey, who has served for two terms as President following three years as North Central Regional Vice President. Upon assuming the duties as President in March, Bruce will vacate the Secretary's position. At that time, the Board of Directors will officially begin the process of selecting and appointing a Club member to fill the remaining year of Bruce's term as Club Secretary. Members who wish to be considered for the appointment should contact their Regional Vice President or Frank Patek, BMW CCA Executive Director.

Mark Jon Calabrese has served on the Board continuously since 1998, with two terms as South Central Regional Vice President before being elected Executive Vice President in 2002. Upon the untimely death of Club President Michel Potheau, Mark Jon served as President until 2004, when he again ran for and won the Executive Vice President position, repeating that feat in 2006 and now in 2008. Leonard Mueller, who is currently the North Central Regional Vice President, finished second in the race. Len will stay on the Board, with a year remaining in his second term as RVP.

Mark Doran is a newcomer to the Board. The new South Central Regional Vice President-Elect is a long-time member of the Rocky Mountain Chapter and will fill the position currently held by fellow Rocky Mountain Chapter member Fred Iacino, who has served on the Board since 2002. Coming in second was J.R. Schneider, who served as the Club's Oktoberfest Coordinator for many years.

John Sullivan will be starting his second term as North Atlantic Regional Vice President. He was first elected in 2006.

"I want to thank and congratulate everyone who ran for the Board in this election. The quality of candidates was outstanding," said Club President Scott Blazey. "I'm sure all of the winners will serve the Club well. Those who ran but didn't win also exemplify the spirit of the BMW Car Club and will continue to contribute because that's the kind of high-quality volunteers they are." Blazey continued on, " Bruce Hazard has the dedication and skills that will make him an outstanding President. I welcome Mark Doran to the Board and thank him for stepping up with his time and talent. He's filling the shoes of an awfully good RVP, Fred Iacino, who I thank for his service and help these past six years. John Sullivan has been a great RVP and will continue to serve his region well. Mark Jon Calabrese is as dedicated as they come, and I thank him for his hard work and support during the time I've served on the Board. Even though Len Mueller didn't win his EVP bid, I'm glad he will still be on the Board as the North Central Regional VP. Len serves his region very well and has brought excellent skills and perspective to the Board. I thank J.R. Schneider for once again stepping forward to volunteer. It's unfortunate that there are only so many seats, but J.R. can take great pride in the enormous service he has given the Club in years past and, I suspect, will continue to do so."

The newly elected officers will be installed at the BMW CCA Annual Meeting, scheduled for March 8, 2008 at the BMW CCA National Office in Greenville, South Carolina.

* * * * *

BMW CCA Board Seeks Candidates for Secretary Vacancy

On March 8, 2008, current BMW CCA Secretary Bruce Hazard will be installed as the new President of the BMW Car Club of America. At that time, a vacancy will exist for the position of Secretary. In accordance with BMW CCA Bylaws, the Board of Directors will appoint a voting Club member to serve the remaining year of Bruce Hazard's term as Secretary. Therefore, the Board asks that any BMW CCA member or associate member in good standing who would like to be considered for appointment as BMW CCA Secretary, please contact Frank Patek, the BMW

CCA Executive Director. Please include your contact information, member number, and a written statement listing your qualifications for the position and why you are seeking the appointment.

The Board will use your written statement in their preliminary evaluation and will contact you if they need additional information. Depending on the number of candidates, after the preliminary evaluation, the Board may select a number of candidates for telephone interviews before making a final decision. The period for accepting statements from members seeking the appointment will end at 12:00 Noon Eastern Time on Wednesday, February 27, 2008.

The BMW CCA Secretary is a voting member of the BMW CCA Board of Directors. Board members are expected to attend all quarterly and special Board meetings and the Annual Meeting. Depending on their positions, some Board members may specifically be required to attend national events and conferences.

Serving on the Board of Directors requires significant time and attention. Meetings and calls may occur weekdays, weekends, and evenings. Travel is involved. E-mail access and telephone access are required. Directors must participate in Board meetings and conference calls, review relevant materials, serve on committees, prepare for meetings and discussions with management, routinely interact and communicate with other Board members, the Executive Director, national service officers, and they must respond to members, chapters, contractors, and staff as the responsibilities of their positions dictate. They must spend the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

The BMW CCA Secretary specifically records and manages the key documents relating to the business of the Board of Directors and the policies of the Club. The Secretary's responsibilities include, but are not limited to:

- Recording accurate minutes for meetings of the Board of Directors and for annual meetings. Approved minutes of these meetings are to be maintained by the Secretary and posted to the BMW CCA web site and provided to all chapters as soon after each meeting as practicable.
- Providing within ten days after each Board meeting, the draft minutes of that meeting to each Board member and the Executive Director, for comment.
- Ensuring that a copy of the Club's current bylaws and Robert Rules of Order are available at all Board meetings.
- Ensuring that required notices of general meetings are mailed in accordance with the bylaws.
- Presenting each new Board member a Confidentiality Statement and Conflict of Interest Statement to sign. Record the completion of these statements and retain a backup copy. The original will be maintained in the National Office.
- Ensuring that the date and specific location of the next BMW CCA Annual Meeting are posted in the calendar of events in Roundel magazine and on the BMW CCA web site.

Club members who want to be considered for appointment should send their name, BMW CCA membership number, and a statement listing their qualifications for the position and why they are seeking the appointment by e-mail, fax, or physical mail to:

Frank Patek II
Executive Director
BMW Car Club of America
640 South Main St Suite 201
Greenville, SC 29601
Phone. 684-250-0022
Fax. 684-250-0038
E-mail. frank_patek@bmwcca.org

* * * * *

ZF Public Service Awards and BMW CCA Charity Matching Funds

A very big thank you goes to all chapters that conducted fund raising and public service work to help others in 2007. Now is the time to get the recognition you deserve and some additional money for your charities, and maybe some for the chapter, too.

Chapter applications for the 2008 ZF Public Service Awards and Charity Matching Funds Program are now available. The ZF Public Service Awards are sponsored by ZF Sales and Service, NA, located in Vernon Hills, Illinois. In addition, chapters that raised funds for charity last year are eligible to receive a percentage of the matching funds allocated in the BMW CCA budget by the National Board. The same application serves both purposes.

BMW CCA chapters that conducted charitable or public service activities in 2007 may apply for a 2008 ZF Award. Please note that eligible activities include not only fund-raising events, but other activities in which the chapter provided service and involvement assistance to a worthwhile cause or community activity.

The application packet contains the application form and instructions. Please limit your submissions to the information on the application form. If the ZF Awards Committee at ZF Sales and Service, NA requires more information, they will contact you. Seriously, let's save some paper this year. If you receive a receipt from the charity for your donation, there's no need to include copies of cancelled checks. We also don't need all the organizational e-mails it took to set up the event or copies of the insurance coverage. Chapters submitting applications for multiple charities should summarize all the activities on a single one-page narrative on the application's back page.

The due date has been changed this year to give you more time to prepare. ***Applications must be received at the BMW CCA National Office no later than March 17th, 2008.*** When your application is received at the National Office, receipt will be confirmed by e-mail to the address listed on the application. If you haven't received confirmation of receipt by the National Office by the second week in March (assuming you submitted your application before that), please contact the National Office to determine the status of your application. Of course, we would prefer you all submitted your applications well before the deadline, but if it gets close, please call the Executive Director to let him know when and how your application will arrive. We want every single chapter that prepares an application to get the proper credit, matching funds, and entry for the ZF Awards.

Once received, applications will be checked for completeness and then forwarded to the ZF Award evaluation committee. ***The 2008 ZF Awards will be announced at the Oktoberfest 2008 Awards Dinner on September 27, 2008.***

Once all applications have been received and checked at the National Office, they will be totaled and computations made to determine the percentage of each chapter's matching funds. Checks to the appropriate charities will then be prepared.

For administrative purposes, the ZF Award application and BMW CCA Charity Matching Funds application are the same form. Application for the ZF Award is automatically an application for BMW CCA Matching Funds, and vice versa. Do not complete two separate forms; one is sufficient.

Applications are available at www.bmwcca.org.

Maintaining the Chapter in Good Standing

To: All chapter Presidents and Treasurers

Subject: IRS Filing Requirements

Date: February 15, 2008

In the past, only those BMW CCA chapters that normally had gross receipts in excess of \$25,000 per year were required to file a return with the Internal Revenue Service (IRS). Starting this year (for tax years ending December 31, 2007) ALL BMW CCA chapters are required to file a return or notice with the IRS.

As in the past, chapters with gross receipts normally equal to or in excess of \$100,000 must file IRS Form 990 – Return of Organization Exempt From Income Tax. A chapter with gross receipts normally in excess of \$25,000 but less than \$100,000 may elect to file IRS Form 990-EZ – Short Form Return of Organization Exempt From Income Tax instead of Form 990. Starting now, chapters with gross receipts normally equal to or less than \$25,000 **MUST** file the new IRS Form 990-N – Electronic Notice (e-Postcard). All filings are due by the 15th day of the 5th month following the end of the chapter’s accounting period. For BMW CCA chapters this is May 15, 2008. An automatic 3 month extension to file a Form 990 or 990-EZ is available, to August 15, 2008, by filing IRS Form 8868.

Links/URL addresses are provided at the end of this message.

Some points to consider -

Filing Requirements:

- Gross receipts are defined in the regulations as “the total amounts the organization [chapter] received from all sources during its annual accounting period, without subtracting any costs or expenses.” (Underscore added)
- “Normally” means the average of the last 3 years including the most recent year. (There are different limits for chapters that are less than 3 years old.)
- For chapters required to file Form 990 or Form 990-EZ a penalty for filing late may be charged at \$20 per day, not to exceed the smaller of \$10,000 or 5% of the gross receipts of the organization. A chapter that fails to file the required form(s) for 3 consecutive years will automatically lose its tax-exempt status.
- No financial penalty will be applied for failure to file a 990-N (for chapters with gross revenues normally under \$25,000) but the automatic loss of tax-exempt status will apply for failure to file for 3 consecutive years.

Form 990-N Completion Information:

- The Form 990-N must be filed electronically through a third-party (The Urban Institute) that the IRS has contracted with for this purpose. The link to the website to get started is <http://epostcard.form990.org/>.
- The chapter will be requested to create a Login ID and provide its Employer Identification Number (EIN, sometimes referred to as a taxpayer ID number). For a Login ID I suggest using the chapter’s internet domain name (e. g., nccbmwcca – the middle part of the website address). Request an ID for an ‘Exempt Organization,’ not a ‘Preparer.’ After creating the Login ID you will be able to create/submit a 990-N.
- The 990-N is a one-page + questionnaire that other than a “yes” or “no” question (“Are your gross receipts normally \$25,000 or less”) doesn’t require any financial information. Other than asking if the chapter terminated or went out of business all requested information is to verify/provide names and addresses.

Forms 990 and 990-EZ Completion Information:

- Each chapter that normally has gross revenues in excess of \$25,000 must individually file a Form 990 or 990-EZ. WE DO NOT FILE A GROUP RETURN (Not to be confused with "Group Exemption Number" – see discussion below.)
- The Group Exemption Number (GEN) (Form 990 heading item I and Form 990-EZ item F is 5390. Our old GEN (9226) has been closed. All chapters are included under our GEN. This means that all chapters individually qualify as a Section 501(c)(7) – Social and Recreation Club tax-exempt organization. For Form 990 heading item H(a) should be "No," H(b) should be "N. A.," H(c) should be "N. A." and H(d) should be "YES."
- Form 990 heading item M and Form 990-EZ heading item H boxes should be checked ("not required to attach Sch. B")
- The chapter member rebate received from National is reported on Line 3.
- Gross revenues from chapter activities, such as driving schools, etc., are reported on Line 2. The related expenses are reported on Line 13 on Form 990 and Line 16 on Form 990-EZ.

Form 990-T Exempt Organization Business Income Tax Return

Finally, just because your chapter is a 'qualified organization exempt from income tax' it doesn't mean your chapter may not have to pay any income tax. Any income from activities and sources not related to the reason the chapter qualifies as an exempt organization, such as social interaction of members to share a BMW experience, is not exempt from tax. One reason for this is to prevent not-for-profit organizations from actually running a business in competition with for profit businesses. It does not matter that the reason you generate the income is to allow you to do the things that do qualify for exemption from tax.

For BMW CCA chapters this generally includes any advertising or investment revenues. As for advertising, because a business or corporation cannot be a member of a qualified Section 501(c)(7) organization, any business advertising in a chapter newsletter, etc. is considered to be unrelated (and therefore, taxable) income, even if the owner and perhaps sole proprietor of the business is a member. This does not include sponsorship revenues where there is no expectation of any substantial return benefit by the sponsor other than the use or acknowledgement of the sponsor's name, logo or product lines in connection with the activities of the chapter. Offering something for sale is advertising, not sponsorship revenue.

If the chapter's unrelated gross income is \$1,000 or more it must file Form 990-T. However, unlike the filing requirements for Forms 990, 990-EZ and 990-N discussed above, gross income here is defined as gross receipts minus the cost of generating the receipts. Thus, for example, an allocable portion of the cost of producing and mailing the chapter newsletter should be deducted from the revenues from newsletter advertising. If the chapter does meet or exceed the filing threshold, only the net profit from the unrelated business activity is subject to tax. When completing the Form 990-T expenses directly related to the taxable gross revenue are deducted to arrive at taxable income.

An automatic 6 month extension to file a Form 990-T is available by filing a separate Form 8868 (separate from a request for an automatic 3 month extension to file a Form 990 or 990-EZ). However, any tax due must be paid by May 15, 2008; interest and penalties may be applied for late filing and late payment of taxes due. These are in addition to any possible penalties related to a late filed Form 990 or 990-EZ.

Form 990-T Completion Information

- As a general rule, a chapter may have income reportable in Part I, Line 9 – Investment income (such as bank interest) and/or Line 11 – Advertising.
- If the Total, Line 13, Column A is less than \$1,000 a Form 990-T is not required.
- If the Total, Line 13, Column A is not over \$10,000 the total deductible expenses (Column B) need be shown only on Line 13 – Total and none of the supporting schedules (A through K) need be completed.

Links

The following are links to the ePostcard and IRS websites for each of the forms discussed above and their instructions.

Form 990-N – Electronic Notice (ePostcard) starting point – <http://epostcard.form990.org/>

Form 990 – Return of Organization Exempt From Income Tax - <http://www.irs.gov/pub/irs-pdf/f990.pdf>

Form 990-EZ – Short Form Return of Organization Exempt From Income Tax - <http://www.irs.gov/pub/irs-pdf/f990ez.pdf>

Form 990 and 990-EZ Instructions - <http://www.irs.gov/pub/irs-pdf/i990-ez.pdf>

Form 990-T – Exempt Organization Business Income Tax Return - <http://www.irs.gov/pub/irs-pdf/f990t.pdf>

Form 990-T Instructions – <http://www.irs.gov/pub/irs-pdf/i990t.pdf>

Form 8868 – Application for Extension of Time To File an Exempt Organization Return <http://www.irs.gov/pub/irs-pdf/f8868.pdf>

As always, if you have any questions or need any help I can be reached at treasurer@bmwcca.org or (805) 499-3849 (Pacific time, afternoon or evenings)

Best regards,
Louis

OKTOBERFEST 2008 IN HISTORIC WATKINS GLEN, NY, SEPTEMBER 23 – SEPTEMBER 27, 2008

Planning continues at a rapid pace for Oktoberfest 2008, and it looks like this is going to be a memorable event. There is already a buzz about the event around the country. It's a gorgeous location and September in New York's Finger Lakes Region is a great time to be there. The area is famous for its wineries and we'll take advantage of that. Watkins Glen was the site of the first post-World War II road racing in the U.S. You can still drive (at legal speeds) the original 6+ mile road course through the village and up around the surrounding hills and countryside. If you sign up for the driving schools or club races, you'll be on the same track that was home to the United States Grand Prix for many years, and still hosts the NASCAR Sprint Cup series, Rolex Grand Am endurance race, Speed World Challenge, and more. Whether you participate in the driving events, show off your car, compete in the Club Races, meet your BMW CCA friends (and make new ones), explore Watkins Glen State Park, take a wine tour, or just enjoy the Finger Lakes Region, we have what you need for an terrific trip. And wait until you see where we're holding some of the evening receptions and dinners. All the fun of a traditional Oktoberfest, but with some new twists, you won't want to miss!

To keep you informed, you may subscribe to the Ofest08 Mailing List. This is an announcement only list. To subscribe to this list, send a message to: ofest08-request@bmwccaofest.org with the word subscribe as the subject.

The 2008 O'fest website is up and running, you can find it at www.bmwccaofest.org