Well, that nasty winter is certainly hanging on! I hope you had a romantic Valentine’s Day and caught up on the Winter Olympics! Here are some current news items you may wish to share with your members, as well as essential chapter information you need to know as we wind down toward Tax Day.

**Election results: Goldsman, Sullivan, Cowan win contested races; all bylaw changes pass**

Balloting for the 2010 BMW CCA national election is complete, and the results are in. Louis Goldsman, challenged by Michael Harman, has been re-elected to the position of BMW CCA Treasurer. The Boston Chapter’s John Sullivan won a three-way battle for North Atlantic Regional RVP. As Pacific Region RVP Steve Johnson decided not to run for re-election this year, Delight Lucas of the LA Chapter and Jeff Cowan of the Golden Gate Chapter threw their hats into the ring, and Cowan emerged successful.

The amendment to Article 5, conforming the Club’s election procedures to contemporary standards, carried 1,175 to 46. The amendment to Article 7, distinguishing between the Annual Meeting and General Membership Meetings, passed 1,168 to 54. The amendment to Article 13, permitting alternate bylaw ballot distribution, passed 1,150 to 69.

The election was conducted online and by paper ballot, with a total of 2,652 ballots cast—approximately 200 ballots more than were cast in 2009. “I want to thank and congratulate everyone who ran for the Board in this election,” said CCA president Bruce Hazard. “The quality of candidates was outstanding; I’m sure all of the winners will serve the Club well. And those who ran but didn’t win also exemplify the spirit of the BMW Car Club; they will continue to contribute, because that’s the kind of high-quality volunteers they are.”

He ended his remarks on a philosophical note. “The energy, dedication and leadership that Steve Johnson brought to the Board will be missed, particularly in light of his installation of two new chapters in the Pacific Region in 2009. And even though Michael Harman, Delight Lucas, Dyke Morrissey, and Scott Stowell did not win their elections, I want to thank them for having the initiative to run for office—and for offering their skills to our Club. I know we will see much more from each of them in the future.”

**BMW CCA National Board Meeting and Annual Meeting set for March**

Where? BMW CCA headquarters, Greenville, SC.

When? March 20 – 21, 2010

The National Board will meet Saturday, March 20, at 8:00 a.m. and will adjourn no later than 4:55 p.m. The BMW CCA Annual Meeting will convene at 5:00 p.m. ET on March 20th. If needed the National Board will reconvene on Sunday March 21st at 8:00 AM ET to address any open items on their agenda.

As always, BMW CCA members are welcome to attend the meeting, those willing to endure the full day on Saturday are invited to dinner that evening. If you plan to attend please contact Linda Axelson at the National Office at (864)250-0022 or via her e-mail lindaa@bmwcca.org.
Chapter Congress: March 5–7, 2010

This year’s Congress will focus on developing a strategic plan for your chapter, new-member recruitment, membership retention, officer training, officer roundtables/idea exchange, working with your local dealerships, and chapter accounting. Rick Barnes, a personal and corporate success coach, will be our featured speaker.

Central Cal Chapter sets German marque concours for Monterey

The BMW CCA West Coast Summer Concours is expanding this year; we’re happy to announce the addition of the Porsche and Mercedes-Benz clubs as participants in the event. The Legends of the Autobahn, this year’s theme, will feature separate club concours judging sites and club corral parking areas. The event will once again kick off the BMW CCA Festorics weekend held annually during the Monterey historic-race weekend on Friday, August 13, at the Rancho Canada Golf Course located on Carmel Valley road just east of California Highway 1.

This event will be limited to Club members only. Space will be limited to 200 BMWs, 100 Porsches, and 50 Mercedes-Benz, and will include a parking corral area for those registered but not participating in the judging activity. It is also a perfect location for a picnic lunch, and attendees are encouraged to bring their own picnic baskets. Food and beverages will also be available on-site. Additional attractions may include guest speakers and specialty vendors.

Tentative schedule: The event will begin with registration at 7:00 a.m. Cars will be placed on the field during the morning, and judging will begin promptly at 10:00. Box lunches will be available at noon, and the awards ceremony will begin at 1:00 p.m.. The event will officially end at 3:00.

On-line registration for this event will open soon via each respective club’s website, where you may register your car and pre-order lunches and event T-shirts. All registrations will be handled online. For additional information, please contact Wayne Wundram (bmwayne@aol.com) or visit www.cccbmwcca.org or www.summerconcours.org.

BMW CCA Festorics set for Monterey historics weekend

This annual event at the Monterey historic races—the BMW Festorics—celebrates the mystique of BMW and our appreciation for the marque. Set for August 13–15, the Festorics features a two-day parking corral with hospitality tents overlooking Laguna Seca’s Turn Five—the slightly banked left-hander that can be taken without lifting, if your nerve is up. The Festorics package includes the opportunity to buy corral tickets, lunch tickets, a special BMW banquet ticket, and even tickets to the Monterey historic races themselves—all from one convenient source!

But the corral at the track is only one attraction. Don’t miss the BMW CCA banquet at the Rancho Canada Country Club in Carmel Valley, or the insiders’ tour of the whole Monterey weekend. It’s an affair you won’t want to miss!

For additional information send e-mail to mfestorics@bmwcca.org.

Escort, Florida chapters sponsor Sebring BMW Corral

BMW CCA race fans traditionally gather at Sebring’s BMW Corral on Turn Seventeen, and this year’s annual event—the 57th Twelve Hours of Sebring runs March 18–20—will be more exciting than ever. Sponsored by Escort radar detectors, the BMW Performance Driving School, and the Everglades Chapter of BMW CCA, and hosted by the Florida Suncoast Chapter, the Sebring
BMW Corral is a legendary “must-do” experience—especially with BMW Rahal Letterman moving to updated E92 M3s.

Order your tickets from Sebring International Raceway by telephone 863 655-1442, or from the track website: www.sebringraceway.com/12hr_tickets.lasso. This is the ONLY way to get a BMW Corral Pass for Sebring! There are just 100 parking spaces allocated for BMW and Mini parking, so order yours soon!

Asleep at the BMW Corral: We allow overnight camping in your BMW or Mini or in a tent on Thursday, Friday, and Saturday. Just be aware that you may have to take your tent down early Saturday morning to make room for BMW parking! Sebring’s rules allow only BMWs and Minis in the Corral. No open fires are allowed, but you can prepare meals on a grill; there is no 110-volt power in the Corral. You can sleep on a cot in the Corral tent, if there is space. If you have a non-BMW, you can park in public parking and still walk in to the BMW Corral.

Your chance to drive Sebring! You’ll have a chance to take IMSA-facilitated marque-exclusive BMW parade laps on Friday evening—with professional photographic coverage posted on the Sebring website. Details and signup sheets will be in the BMW Corral on Friday.

Prices:

BMW Corral, Saturday only, one person: $145
BMW Corral, Saturday only, two people: $225
BMW Corral, two days, one person: $155 (best deal if you wish to take the Friday BMW parade laps.)
BMW Corral, two days, two people: $245
BMW Corral, four days, one person: $165
BMW Corral, four days, two people: $265

Getting there: You will receive your Corral pass with your ticket(s). To get to the BMW Corral, take the road to the Paddock that goes over the bridge, and turn right at the guardhouse—they will want to see your Corral pass—then turn into the Turn Seventeen BMW Corral. Enter the Corral and drive along the north fence to miss the sand that surrounds the paved skidpad. The BMW Corral is fenced, and controlled by the Sebring security staff.

Don’t miss the adventure—the BMW Corral is a special place at the Twelve Hours of Sebring! E-mail Jim Ringold carstuff1@tampabay.rr.com.

Grrl Power meets the Performance Driving School

Probably it’s the inevitable result of a Northeast winter: the Boston Chapter’s Jackie Bechek has organized a Women’s Only Getaway Weekend set for April 15–19. “We’ll have a full-day private lesson for our group at the BMW Performance Driving School in Greenville, South Carolina, taught by their professional drivers,” says Bechek. “It’s a chance for women to learn safety-driving skills, such as accident avoidance, proper use of ABS brakes, and inclement-weather handling conditions. We will have full access of the Center’s facilities, including the famous skid pad, which simulates black-ice conditions, and the twisty 1.7-mile race track, which will be configured to simulate real-world driving conditions.”

While the driving school is a useful tool against winter—“We guarantee you will gain confidence and courage from this course, and come home to better enjoy your ultimate driving machine!” says Bechek—the rest of the weekend is a luxurious break from a long, dismal season.
“After a full day at the Performance Center,” says Bechek, “we’ll drive to Asheville, North Carolina, in the Center’s own BMWs, and pamper ourselves with a two-night stay at the Grove Park Inn Resort & Spa. The Inn’s fabulous facilities, restaurants, and spa are legendary, and provide a restful vacation in the beautiful Blue Ridge Mountains. The views alone will comfort you!”

While at the Grove Park Inn, participants will enjoy luxury accommodations and a personalized spa package to suit their personal needs. You can treat yourself to a luxurious massage, facial, or body treatment, and finally work out those tired muscles. The Spa also has a wonderful full workout facility to keep you in shape and rested on the trip.

Finally, the group will be treated to lunch at the legendary Biltmore Estate in Asheville, North Carolina. Once the Vanderbilt summer home, it is now a working estate and historical museum; the famous gardens and beautifully appointed 250-room mansion is a national treasure.

The all-inclusive trip is organized by the BMW Performance Center, and includes four nights’ lodging, spa treatment, driving school, meals—including lunch at the Biltmore Estate—and transfer transportation for a total of $1,995—a substantial saving from regular rates. “This is an incredible opportunity to improve your road skills, have fun, and enjoy some relaxation as well!” says Bechek. Interested participants should e-mail her at mjbbechek@boston-bmwcca.org.

**Oktoberfest 2010: Elkhart Lake and Road America!**

Ofest registration has begun! Visit bmwccaofest.org

The Osthoff Resort (www.osthoff.com) at Elkhart Lake is now sold out. However, the resort has started a waiting list, and if last year is an indicator, there will be rooms available later in the summer.

If you don’t want to take a chance, we have added a block of rooms at the legendary Siebkens Resort, right next door to the Osthoff (www.siebkens.com). Please call 920 876-2600 to book your reservations.

Siebkens features the famous Stop-Inn Tavern, internationally known as “the best bar on the racing circuit.” Additionally, we have secured a block of rooms at the Baymont Inn & Suites in Plymouth, Wisconsin. To make a reservation at the Baymont, please call 920 893-6781, 7:00–5:00 (Central Time) Monday through Friday. You may also send e-mail to one of the following addresses: seidesha@gmail.com or ertelhal@wynhg.com. Please use the group code: BMW Car Club of America when making your reservations.

- **Liberty Mutual** will sponsor the opening night/welcome party.
- Bridgestone is scheduled to sponsor the two-day autocross and the drive-in movie at Road America.
- Odometer Gears will sponsor the TSD Rally.
- BMW North America will again sponsor the final banquet and the BMW test-drive program.

**Early 2010 membership numbers continue slight decline**

While our renewals continue at over 50%, the February membership numbers were disappointing. Though our annual membership loss remained just over 3%, our two-year decline rose to 5.63% (it had been 5.26%; as of January 20, it was 5.04%).

Membership is primarily a chapter-driven phenomenon, of course, because the chapters are the vital centers of Club activity—and only through chapter recruitment and enough activities to satisfy their members can we hope to grow the Club. Thank you for your continued efforts in this regard—we’ll continue to do all that we can on the national level, but it’s really the work of the chapter volunteers that make membership in the BMW CCA so worthwhile! We’re happy to note programs like the San Diego Chapter’s recent partnership with BMW South County to provide new memberships for new-car and CPO buyers—but it’s up to all of us to keep those members once we have them!

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**BMW South County partners with San Diego Chapter**

Like several other enthusiast-oriented BMW dealerships, San Diego’s BMW South County supports its local chapter, the San Diego Chapter, going as far as paying for a one-year membership for each new-car or CPO purchaser. But BMW South County goes even farther, tailoring dealership events to intersect with Club activities. “We’ve been putting on Women Only tech session,” says Nick Owen, a service tech at the facility. “We get anywhere from eight to a dozen women and pick a few cars to put up in the air and talk about what various components look like, and their function. We offer this to both customer and Club members, because we hope we can get customers to join the Club so they’ll participate more often.”

Those free memberships to buyers are more than just a token gesture; Owen serves as a natural point of contact because he is also vice president of the San Diego Chapter. His interactions
between the chapter and BMW South County—primary sponsors of the chapter’s autocross season—have convinced him that dealer support of the CCA builds a loyal business clientele. “We’re implementing a tracking system into the software program we use at the store,” says Owen. “This will allow us to keep CCA membership information on file, so customers can register with us, have their membership number and expiration date on file, and automatically give them their 10% discount so they will not have to bother asking. This will also provide BMW CCA and us with data as to how much members spend—and on what.” The dealership is also looking into a method of letting CCA members register with the dealership on line so their data is complete when they visit the dealership.

This win-win relationship between chapter and dealership allows a genuine measure of the importance of dealer loyalty and Club support—and may well allow the San Diego Chapter to increase by 50% in the next year.

**Forms, forms, and more forms...**

It’s that time of year again—when we ask you to wear out your keyboards and Number Two pencils completing forms and files to send to the National Office. While it might seem like a lot of busy work, it is really very important; without the timely filing of the forms listed below, the National Office cannot provide your chapter with the services you require. Unfortunately, any chapter not complying with the deadlines for necessary forms is subject to probation and the withholding of their chapter rebates.

**Chapter Forms due dates:**
- Chapter Officer and Administration Form (mandatory): This form must be submitted by each chapter by March 15, 2010, or within two weeks of the chapter election (whichever happens earlier). The form must then be resubmitted each time chapter officers change. This form is critical to maintaining timely communication between National and the chapters, and is required in order to meet minimum standards of chapter performance.
- Chapter Financial Statement (mandatory): All chapters must submit this form yearly as part of the minimum requirements to maintain "good standing" as a BMW CCA Chapter. Due March 31, 2009.
- Charity Matching Funds Program: Due by April 1 (voluntary)

**Remember, your chapter must file an IRS return!**

Chapter treasurers should be aware of federal tax and information filing requirements. Starting with tax year 2007—December 31, 2007, for BMW CCA Chapters— all chapters were required to file a return with the Internal Revenue Service (IRS). Depending on filing-requirement thresholds, chapters were required to file either an IRS Form 990-N, Electronic Notice (ePostcard); a Form 990-EZ, Short Form Return of Organization Exempt From Income Tax; or a Form 990, Return of Organization Exempt From Income Tax. For tax year 2008 and beyond, the thresholds that determine which of the three Form 990s a chapter must file were revised:
- The threshold for filing the Form 990-N has been revised from last year’s threshold. Chapters with gross receipts normally equal to or less than $25,000 for tax years before 2010 and equal to or less than $50,000 for tax years 2010 and later MUST file the new IRS Form 990-N – Electronic Notice (e-Postcard).
- For tax year 2009, chapters with gross receipts greater than $25,000 and less than $500,000 and total assets less than $1,250,000 may file either the Form 990 or Form 990-EZ.
• Beginning with the 2010 tax year, chapters with gross receipts greater than $50,000 and less than $200,000 and total assets less than $500,000 may file either the Form 990 or Form 990-EZ.

• All filings are due by the 15th day of the fifth month following the end of the chapter’s accounting period. For BMW CCA chapters, this is May 15th. An automatic three-month extension to file a Form 990 or 990-EZ is available—to August 15—by filing IRS Form 8868. Failure to file required returns for three consecutive years will result in the automatic loss of the chapter’s tax-exempt status.

Form 990 has been extensively redesigned and expanded, effective for 2008 tax years (returns filed in 2009 and later). The new Form 990 consists of an eleven-page, eleven-part core form that must be completed by all organizations that file the form, and schedules to be completed by those organizations that satisfy the applicable requirements for each schedule. Based upon prior years, no BMW CCA chapter should be required to file a Form 990 (versus Form 990-EZ) for tax year 2009—and it is unlikely that a chapter will meet the requirements to file Form 990 instead of Form 990-EZ for tax year 2010 and later.

Although Form 990-EZ was not extensively redesigned, some minor changes have been made so that certain information previously required to be submitted as attachments will now be reported on schedules. Organizations that file Form 990-EZ must review the instructions for Schedules A, B, C, E, G, L, and N to determine whether they must report any of their activities or information on those schedules.

Links/URL addresses to the IRS forms and instructions are provided at the end of this article. 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 three years, including the most recent year. (There are different limits for chapters that are less than three 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. The penalty may also be charged if the organization files an incomplete return, such as by failing to complete a required line item or a required part of a schedule.
- No financial penalty will be applied for failure to file a 990-N (for chapters with gross revenues normally under $25,000/$50,000), but the automatic loss of tax-exempt status will apply for failure to file for three consecutive years.

Form 990-N Completion Information:
- 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., ncebmwcca—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-plus questionnaire which requires only “yes” or “no” answers to questions (“Are your gross receipts normally $25,000 or less?”); it doesn’t require any
financial information. Other than asking if the chapter has been terminated or gone out of business, all requested information is to verify/provide names and addresses.

**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-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 organizations.
- 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 of Form 990-EZ.
- Gross revenues from chapter activities—such as driving schools, etc.—are reported on Form 990-EZ Line 2. The related expenses are reported on 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—exempt activities include 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.

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 those 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 six-month extension to file a Form 990-T is available by filing a separate Form 8868 (separate from a request for an automatic three-month extension to file a Form 990 or 990-EZ). However, any tax due must be paid by May 15; 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:


(Note: The links above were current as of January 2010. Please check the IRS web site ([www.irs.gov](http://www.irs.gov)) for the latest version of all forms and instructions. 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).—Louis Goldsman, Treasurer, BMW CCA)