

BMW CCA News From National

TO: BMW CCA National and Service Officers, Chapter Presidents, Newsletter Editors

FROM: Frank C. Patek II, Executive Director

February 2011

BMW Car Club
of America



Hey, why is all this white stuff still on the ground? Boy, did we step in it when we promised to have the website up and running by February—as you’ll see in our first item. . . .

Snow delays introduction of new website and database—again!

Old Man Winter decided to throw a curve ball at us in January! Six inches of snow paralyzed Greenville and cost us the weeks worth of training necessary to go live with our new database and website. With the sun shining again, we had planned to tackle training the week of February 21—and go live on March 1. Unfortunately, the best-laid plans of men and mice are for naught, when technology is involved. Now I don’t even dare forecast a date!

The new website and database are being built in tandem, so they actually work with each other—and not against each other. This should eliminate many of the problems we have experienced with membership renewals. Many of you are acutely aware that currently, renewing members cannot change their membership type unless they call the national office. That problem will soon come to an end!

Each chapter will have its own “landing page” on the Club website. These new landing pages will meet the minimum standards for a chapter’s web presence and can be linked to each chapter’s existing home page. Look for more robust event pages as well. Chapters will no longer be limited to just a few sentences on the calendar. Starting soon, you can have a full page devoted to each event!

To help us get the new website and your chapter landing pages started, we need your assistance. Please submit to frank_patek@bmwcca.org a 500-character (not 500-word) descriptive statement of your chapter. This statement will be included on your chapter’s landing page.

New chapter logo standards are due

A huge thanks for all your cooperation as we work toward meeting the deadline set by BMW to change our logos to meet their new standards! As we have been discussing for far too long, the official logo guidelines governing use of the BMW roundel—and promulgated by BMW AG—are changing. As of January, every chapter has had to modify its official chapter logo to be in compliance with the new standards. To download a copy of the new logo standards, please use this link: www.bmwcca.org/logo_standard.

Please be advised that every chapter **MUST** submit their logo for approval. When ready, send your logo to the executive director at frank_patek@bmwcca.org.

Annual Meeting and National Board Meeting: March 19-20, 2011

The Board of Directors will meet in Greenville, SC. The meeting will commence at 8:00 a.m. on March 19th, and end at approximately 4:45PM and the Annual Meeting will convene at 5:00PM. Any follow-up work will occur on March 20th and end at noon. As always, local BMW CCA members in the area 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: laxelson@bmwcca.org

Oktoberfest 2011: Registration is now open! We'll see you at Birmingham and Barber Motorsports Park!

Mark your calendars: O'Fest 2011 kicks off **Monday, October 10**. Our final banquet is slated for Friday, October 14. In addition, we will have bonus track days on Saturday and Sunday, October 15–16.

The **Renaissance Ross Bridge Golf Resort and Spa** 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 **Birmingham Marriott**: www.marriott.com/hotels/travel/bhmmc-birmingham-marriott. Please use the Group code bmwbmwa when making your reservations. Rooms start at \$99.00. You may also call 205 968-3775 to book your room.

For a sneak peak of the Oktoberfest 2011 schedule—and for ongoing details—please visit our dedicated Oktoberfest website, www.bmwccaofest.org, and stay up to date on O'Fest news. Oktoberfest junkies on a 24-hour O'Fest news cycle will want to subscribe to the O'Fest 11 Mailing List. This is an announcement-only list. To subscribe, send a message to ofest11-request@bmwccaofest.org with the word “subscribe” as the subject.

Just imagine: Oktoberfest in October! You won't want to miss it!

Forms, forms, and more forms...

It's that time of year again—when we ask you to wear out your keyboards and #2 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, 2011, 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, 2011.
- **Chapter Label Request (mandatory):** Used to notify National of your chapter's mailing-label needs for the calendar year. Please return by January 15, 2011.
- **Charity Matching Funds Program:** Due by April 1 (voluntary)

January membership bump turns into a dip in February

BMW CCA membership numbers actually went up in January—though we were still nearly 1,500 fewer than a year ago. That increase followed a December net loss of a mere five members, a sign that things were beginning to improve. But in the next month, our numbers went down again—though only by 116 members. And our two-year decrease is now back down to under 5.5%. In actual numbers, we gained another 1,021 members this month, and we're down 3,492 members since 2008.

Membership retention remains primarily a chapter-driven phenomenon. Our chapters are the vital centers of Club activity, the heart and soul of the BMW CCA. Only through your chapter recruitment efforts—along with enough activities to satisfy your members on a local level—can we hope to grow the BMW Car Club of America.

Thank you for your continued offerings to your current members, and your efforts in recruiting new ones! We'll continue to do everything we can on the national level, but it's really the work of our chapter volunteers that makes membership in the BMW CCA so worthwhile and rewarding! Remember, regardless of why BMW enthusiasts join the BMW CCA in the first place, they stay because they find themselves among friends. That's why it's so important to reach out to the new members in your chapters and make them your friends!

MEMBERSHIP STATS as of 2/15/2011			
	Full	Associate	Total
Current Membership	61,201	8,833	70,034
Last Month's Membership	61,317	8,865	70,182
Monthly Net Gain (Loss)	-116	-32	-148
Monthly % Change	-0.19%	-0.36%	-0.21%
Last Year's Membership	62,520	9,305	71,825
Annual Net Gain (Loss)	-1,319	-472	-1,791
Annual % Change	-2.11%	-5.07%	-2.49%
2008 Membership	64,693	9,537	74,230
Net Gain (Loss) for 2 years	-3,492	-704	-4,196
% Change for 2 years	-5.40%	-7.38%	-5.65%
New Members: 1,021 Roundels Mailed: 62,545			

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., 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-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:

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

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

Form 990 – General Instructions: www.irs.gov/pub/irs-pdf/i990.pdf

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

Form 990-EZ Instructions: www.irs.gov/instructions/i990ez/index.html

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

Form 990-T Instructions: www.irs.gov/pub/irs-pdf/i990t.pdf

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

(Note: The links above were current as of January 2010. Please check the IRS web site (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*

We're going places in 2011. Come along for the ride!

No matter where you live, or which of our 67 chapters is your home base, the BMW Car Club of America has a wealth of activities planned for enthusiasts coast-to-coast in 2011. From the South Atlantic Region to Monterey, from Pittsburgh to our Oktoberfest celebration in Alabama, our members have a lot of great driving to do this summer!

Let's start with a few Spring adventures:

April 1–3: OBX CruZ for the Cure of Parkinson's Disease

A BMW CCA regional event, the eighth annual cruise of North Carolina's Outer Banks—known as the OBX to residents—gets under way at Kitty Hawk, North Carolina. Headquarters: The Hilton Garden Inn (252 261-1290). For information and registration, visit www.obxcruz.com.

April 14–18: Ladies' Only Spa Getaway at BMW Performance Center

We will offer one full day of car-control school and performance-driving lessons from the professional instructors at the BMW Performance Driving School near Greenville, South Carolina. We will then drive their BMWs to the Grove Park Inn & Spa in Asheville, North Carolina, for two days of luxurious pampering in their \$42,000,000 spa, complete with massages, manicures, and relaxation by their seven pools. Due to the popularity of this trip, we recommend early registration. Trip limited to eighteen members only. Price: \$2,195 per person. For additional information, please contact Jackie Bechek at jbbechek@aol.com.

May 27–28: The Vintage in Winston-Salem, North Carolina

Historic Old Salem Village in Winston-Salem, North Carolina, is a picturesque setting offering a unique, intimate feeling. Where else you can walk tree-lined streets and view two or three hundred classic BMWs?! In late May, the Vintage, sponsored by the BMW CCA, will again draw classic-BMW fans and owners to the celebration that has grown from a modest display of BMW 2002s to an impressive array of all sorts of BMW icons.

The host hotel is the Hawthorn Inn in Winston-Salem. Friday features a TSD rally and a meet-and-greet at Flow BMW. Saturday's display along the historic streets of Old Salem Village should be our best ever! For more information—and a link to registration—please visit www.atthevintage.com or send inquiries directly to Festmeister Scott Sturdy, scottsturdy@yahoo.com. Registration is \$10 per car.

June 9–12: Couples' Performance Driving School, Greenville, South Carolina

This co-ed trip is perfect for singles or couples to come experience the BMW Performance Center near Greenville. We will offer a full day of car-control school and performance-driving lessons at the Center, as well as relaxing drives through the foothills of the Blue Ridge Mountains to experience the joy of driving. We will have two special group dinners in Greenville, as well as other social opportunities to explore the beauty of South Carolina in Performance Center BMWs. For those who have always wanted to try the school, and meet other Bimmerphiles, this is the perfect trip! Trip limited to eighteen members only. Price: TBD.

For additional information, please contact Jackie Bechek at jbbechek@aol.com.

July 10–24: Pittsburgh Vintage Grand Prix

You won't want to miss the annual BMW gathering at the Pittsburgh Vintage Grand Prix. The PVGP is sponsored by Liberty Mutual Insurance, Sonax, BMW of Pittsburgh, and the BMW CCA. The Allegheny Chapter has laid out a host of activities across two weekends. Activities begin on July 16–17 at BeaveRun Race track. There will be a multi-marque German car corral overlooking the front straight at BeaveRun with catered lunch, beverages, and corral parking. The featured races include a BMW Club race and vintage racing sanctioned by VRG.

The highlight of our Schenley Park weekend will be a celebration of the tenth anniversary of 5er Fest. In cooperation with the mye28.com special-interest group, we extend a special welcome to all 5 Series owners. In addition to special prizes and events, 5er Fest attendees are eligible for a parade lap during race-day opening ceremonies.

The Schenley Park weekend begins on Thursday, July 21, with a driving school offered by BeaveRun Motorsports Complex. The next day, winding roads north of the Steel City will be the venue of our driving tour through southwestern Pennsylvania. Destination: Casa Narcisi Winery for lunch. Friday evening features the Allegheny Chapter's welcome reception at the Radisson Greentree. On Saturday and Sunday, at historic Schenley Park, there will be a BMW pavilion and corral overlooking Turn Thirteen—one of the most desirable vantage points. After an absence last year, BMW 2002s will once again return to the track.

For online registration or simply to find more information, visit the BMW page at www.pvgp.org.

Kick off the Monterey Festorics Weekend with CCA Wine Tours!

August 17, 2011: Carmel Valley/Monterey wine-tasting tour

Ag Venture Tours will be offering a full-day wine tasting tour, featuring motorcoach accommodations to three excellent wineries in the beautiful Carmel Valley and Monterey areas. The tour will start with a visit to Chateau Julien Wine Estate for a private tour, walk, and wine-tasting. We will then visit the tasting rooms of Ventana Vineyards and Heller Estate to taste their premium wines. Lunch will be at Tarpy's Roadhouse Restaurant. As we drive through the area, your expert guide will discuss the Monterey County wine industry; we will observe beautiful scenery and discuss local points of interest.

August 18, 2011: Salinas Valley wine-tasting tour

This full-day wine-tasting motorcoach tour of the Salinas Valley includes a visit to Manzoni Farms/Vineyards for a tour and taste of their premium wines. We will then visit Hahn Estates/Smith & Hook Winery for a delicious barbecue picnic lunch and wine-tasting. The tour will finish at Paraiso Vineyards for a private tour and wine-tasting. Along the way, we will see the world-famous Salinas Valley, "Salad Bowl of the World," and learn about the local agricultural industry, which supplies many of the fresh vegetables consumed throughout the United States.

It's an affair you won't want to miss! For additional information, send e-mail to festorics@bmwcca.org.

August 19: Central Cal Chapter's German-marque concours in Monterey

Sponsored by Liberty Mutual Insurance, Sonax, and BMW CCA, the **BMW CCA West Coast Summer Concours** will again host beautiful BMWs of all ages, as well as entrants from the Porsche and Mercedes-Benz clubs who will share this event. The concours will be held on Friday, August 19, at the Rancho Cañada Golf Course, located on Carmel Valley road just east of California Highway 1. With separate club concours judging sites and club corral parking areas, the concours will again kick off the BMW CCA Festorics weekend.

This event will be limited to marque-club members only. Space will be limited to 200 BMWs, 100 Porsches, and 50 Mercedes-Benzes, 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. Food and beverages will also be available on-site. Additional attractions may include guest speakers and specialty vendors.

On-line registrations for this event are now open. You may register your car and pre-order lunches and event T-shirts. For additional information, please visit www.legendsoftheautobahn.org.

August 19–21: BMW CCA Festorics meets Rolex Monterey Motorsports Reunion

Also sponsored by Liberty Mutual Insurance, Sonax, and the BMW CCA, the annual BMW Festorics at the Monterey historic races—now called the Rolex Monterey Motorsports Reunion—celebrates the mystique of BMW and our appreciation for the marque. Set for August 19–21, the Festorics features a two-day parking corral with hospitality tents overlooking Laguna Seca's Turn Five. The Festorics package includes the opportunity to buy corral tickets, lunch tickets, a special BMW banquet ticket, and event tickets to the Reunion 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 Cañada Country Club in Carmel Valley.

September 2–4: BMW corral at the Baltimore Grand Prix

The National Capital Chapter will be hosting a corral for the American Le Mans Series (ALMS) race held Labor Day weekend in Baltimore, Maryland. Let's support the BMW Team RLL M3s that will be out to win again in 2011!

The BMW CCA corral will be adjacent to the ALMS paddock, with tickets that provide excellent viewing of all the races. Your ticket will also include:

- 1) Reserved Grandstand seating at Turn 10 with additional Jumbotron screen viewing
- 2) Pit and paddock passes
- 3) On-track parade laps

For more information, please visit www.bgp.nccbmwcca.org.

October 29–November 6: Hilton Head Concours d’Elegance and Motoring Festival. [

This year the BMW Group will be the featured marque at the Hilton Head Island Concours d’Elegance and Motoring Festival, which celebrates its tenth anniversary in 2011. The BMW Group is a founding sponsor of this event; the Hilton Head Island Concours d’Elegance and Motoring Festival will feature all of the BMW Group brands, including BMW, Mini, and Rolls-Royce, as well as motorcycles from BMW Motorrad.

As in years past, activities will include displays and customer ride-and-drive opportunities, as well as a celebration of BMW’s rich motorsports heritage.

Dates of the 2011 Hilton Head Island Concours d’Elegance and Motoring Festival are Saturday, November 5 through Sunday, November 6. It will again be preceded by the Hilton Head/Savannah Speed Classic vintage-race weekend, Saturday, October 29 and Sunday, October 30.

Information about the event can be found at www.hhiconcours.com.