

Local Clay Board Minutes  
March 11, 2015

Present: Ziggy Blum, Cecile Haworth, Avi Harriman, Molly Buckles (observing), Annie Heron, Maryanne Smith, Robin Russell

This was a special meeting with Tim Armstrong, a non-profit and social enterprise consultant, which was arranged for us by Cecile, to investigate our tax status and the relationship of that to our vision process.

The meeting was primarily for information gathering, and these notes will simply indicate what we found out in our discussions with Tim. He was very knowledgeable and astute, and already had investigated our status.

He assured us that we are registered with the state as a mutual benefit association, which is a form of non-profit. However, we are not registered as a 501c3, c4 or c7 with the IRS. This means we are liable for taxes on the tiny profits we make, and those who give us money are not eligible for tax deductions.

We would, however, in his estimation, qualify for a 501c3, on the basis that we exist primarily for educational, cultural and charitable reasons. Clay Fest, although a money-making venture, only occurs once a year, and is accomplished with all volunteer labor. We can still solicit sponsorships, as these are considered

by the supporting businesses to serve their advertising and publicity needs.

Should we choose to reincorporate as a 501c3, the costs would be \$50. to the state, \$10. to the Dept. of Justice, and a one-time \$400 for the application fee. It would take about 2 weeks. In addition, it would require more record-keeping and yearly reports. Robin pointed out that the application fee would be made up for in a few years because we would not be paying taxes.

We discussed the ramifications of this. One possibility would be to continue our organizational structure as it is, but see if our educational and charitable activities grow in response to our current visioning process. If this seems to be happening, we might want to consider the 501c3 classification.

The only decision reached, was that we need to continue inviting the membership to join us in the process of developing our vision of what Local Clay is and/or could be.

Contact info for Tim Armstrong:

[mailto:tim\\_a@endazzle.com](mailto:tim_a@endazzle.com)

541-222-0138

<http://www.endazzle.com>