

AMERICAN ASSOCIATION OF WOODTURNERS
Board of Directors Meeting
Wednesday, October 15, 2014

CALL TO ORDER

A regular meeting of the AAW Board of Directors was convened via teleconference at 6:00 p.m. CST on Wednesday, October 15, 2014, with Director Kurt Hertzog presiding in the absence of President Dale Larson. The following board members participated in the teleconference: Denis Delehanty, Philip Hauser, Art Liestman, Binh Pho, Cassandra Speier, Rob Wallace, and Lou Williams. Also joining the teleconference were Phil McDonald, Linda Ferber, Josh Friend, and Kim Rymer.

APPROVAL OF MINUTES

The minutes of the September 2014 meeting were approved with one revision and will be posted to the AAW website.

TREASURER'S REPORT

2013 Form 990 Tax Return

Philip Hauser presented with the AAW's 2013 Form 990 tax return and asked the board for approval it so that it can be filed.

Rob Wallace made a motion to approve the 2013 Form 990 tax return as presented. Lou Williams seconded the motion and the motion was approved unanimously.

Resolution to Approve Contents of Minnesota Charitable Organization 2013 Annual Report

Philip Hauser presented the board with a resolution to approve the contents of AAW's Minnesota Charitable Organization 2013 annual report. A board vote was convened and the resolution was accepted unanimously as presented.

RESOLVED, that the corporation be, and hereby is, authorized to approve the contents of the 2014 Minnesota Charitable Organization Initial Registration and Annual Report Form.

FURTHER RESOLVED, that the AAW office be, and hereby is, authorized to consult with the AAW independent auditing firm to execute and to take such other action, as shall be deemed necessary to fulfill the foregoing resolutions.

Resolution to Reclassify Memorial Endowment

The AAW Memorial Endowment Trust Fund was previously classified in the AAW audited financial statements as temporarily restricted. However, a review of relevant

documentation establishing the AAW Endowment Trust Funds revealed the original donor intended to create an endowment designed to exist in perpetuity.

Philip Hauser presented the board with a resolution to reclassify the AAW Memorial Endowment Trust Fund as a permanently restricted net asset and asked the board to vote in favor of the resolution. A board vote was held and the resolution was accepted unanimously as presented.

RESOLVED, that the corporation be, and hereby is, authorized to reclassify the AAW Memorial Endowment Trust Fund as a permanently restricted net asset.

FURTHER RESOLVED, that the principle cost basis of the trust fund at the time the trust was established shall be the amount of net assets to be reclassified as permanently restricted.

FURTHER RESOLVED, that the AAW Executive Director be, and hereby is, authorized to consult with the AAW independent auditing firm to execute and to take such other action, as shall be deemed necessary to fulfill the foregoing resolution.

Financial Report

Phil McDonald reported a negative shift in revenue assumptions, from \$12,000 loss at year-end to a \$33,000 loss at year-end, due to minor duplications in revenues accounting. Additionally, he reported that merchandise sales are significantly less than the forecast, however member acquisitions forecasts are on track. An upcoming holiday campaign is expected to help off-set lower merchandise sales.

EXECUTIVE DIRECTOR'S REPORT

2015 Budget Proposal

Phil McDonald summarized the 2015 budget development packet which was sent to board members prior to the meeting and opened the floor for discussion. Dialogue took place regarding symposium costs, feasibility of offering free symposium registration for chapter presidents for Pittsburgh, and staffing resources. Kurt Hertzog asked board members to share any additional ideas and questions on the 2015 budget with the entire board via email.

Legal Opinion on EOG Grant

In the September meeting, the board requested a legal clarification was regarding potentially restricting EOG grants to members and chapters only. Additionally, legal clarification was requested to clarify whether access to any AAW programs and services can be restricted to members only.

Phil McDonald summarized the opinion he obtained from attorney, Ellen McVeigh. He explained that the AAW advised the IRS that the purpose for the EOG program is, in part, to provide continued educational opportunities to the public and expansion and enrichment for the woodturning public thereby qualifying it a public 501(c)(3) charity. By restricting EOG grants to members and local chapters only, the AAW would no longer qualify for 501(c)(3) status. Additionally, the AAW's mission as a charitable organization is educational. Therefore, the AAW cannot prohibit non-members from accessing services or attending the symposium, however the AAW can charge non-members a higher price. Phil stated that the AAW intends to change the requirements for teacher eligibility under the Youth Program as a result of the legal clarification.

November Meeting Arrangements

Phil McDonald reported that the November board meeting will be held on November 8 and 9, 2014, in St. Paul. Hotel room reservations for board members have been made at the Holiday Inn, which is a 10-minute walk from the AAW's office in the Landmark Center. There will be a board dinner on Friday, November 7, and Saturday, November 8. Any board member who has special requirements should contact AAW staff, Jane Charbonneau. He noted that any out-of-pocket expenses incurred by board members as a result of the meeting should be submitted as soon as possible. Phil also reported that Dale Larson will make phone calls regarding election results to new board members and unelected candidates.

UNFINISHED BUSINESS

Naming Rights for the Gallery of Wood Art

Binh Pho reported that he and Dale Larson did not obtain a donation for naming rights for the Gallery of Wood Art from the current prospect. Other prospect names were noted along with possibility of providing an endowment for the naming rights.

501(c)(3) Process as a Best Practice

Denis Delehanty reported that he obtained permission from several chapters to use their applications as examples for a 501(c)(3) best practice. He expects that when finished there will be about 50 pages of 501(c)(3) best practice information.

NEW BUSINESS

Chapter Collaborative Challenge

Josh Friend asked about the status of the Chapter Collaborative Challenge for 2015 and asked whether he should run a notice in the journal about it. Lou Williams reported that Dale Larson previously indicated that the Chapter Collaborative Challenge should go forward for 2015 and may be reevaluated for subsequent symposiums.

ADJOURNMENT

Lou Williams made a motion to adjourn.

The meeting was adjourned at 7:15 p.m. central standard time on Wednesday, October 15, 2014.

Respectfully Submitted,

Cassandra Speier, Secretary