

## Response to Chapter Reports – 2020 November Board Meeting

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*Policy Governance, “Don’t MicroManage; define the end and certify the means were successful.”*

### San Gabriel Valley - concern:

*Society’s mandated \$30 differential between Membership cost and NonMember cost for events*

Response - There were many reasons for establishing the \$30 differential between Membership cost and NonMember cost for education events. I don’t believe those reasons have any impact on the ultimate concern of San Gabriel Valley - so no need to address them at this time.

*The ultimate concern of SGV is they don’t feel a NonMember will “test the waters” of CSTC education if the cost is too high.*

I believe the predicament may have been overcomplicated and the answer is really quite simple.

Many Chapters offer “discounts” to first time attendees. When I was a member of GLB , members were given business cards with a discount for first time attendees. Members handed these cards out to tax professionals they wanted to invite to a meeting. I believe SGV could develop a similar discount - problem solved.

However, I strongly believe that all Chapters should support the Society goal of creating a ‘branded’ look, a ‘united’ effect, and that for advertising purposes should adhere to the \$30 differential in published pricing. Space permitting, a footnote could be added with the “first time attendee” discount; or perhaps a ‘coupon’ included directly in the advertisement. Again, problem solved.

### San Gabriel Valley - meetings:

*Hosting tax season roundtables but not for CE credit*

Response - In the past some Chapters held roundtables for CE (i.e. GLB) and others held roundtables for no CE (i.e. IE) **but** I feel you shouldn’t be afraid to host a roundtable for CE *if you want to*.

The Zoom platform allows you to “raise your hand” allowing the moderator to call upon you to speak. While the roundtable *might seem awkward* in the beginning, I’m sure attendees would quickly become accustomed to the format.

As for the required ‘polling questions’ - they don’t have to be technical, they don’t have to be answered correctly. You might ask, “What’s your favorite CSTC Chapter” then make all four answers SGV.

Jenn and her team have put together a training session on how to host a Zoom meeting effectively. Should you decide you want to try a roundtable with CE credit... just do it! We know you can!

### Greater Long Beach - meetings/pre-and-post-event webpage and other concerns:

I’ll defer these items as the President mentions he’s already been in discussions with Rod and Jenn for the fixes.

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*Thank you for bringing these concerns to our attention and allowing us the opportunity to help with the resolution.*

### **Jen's pet pieve:**

*CSTC is a non-profit organization and we shouldn't be making a profit.*

Response - Folks, I don't like the term "non-profit." You won't find that term in the Internal Revenue Manual and I try NOT to use it myself. CSTC is a "tax exempt organization."

Think about that phrase - "tax exempt organization." Now think about the taxation of a non-profitable business and answer these two questions:

1. If a business realizes no profit, is there any tax?
2. If a business never realizes a profit and never pays a tax, is there a NEED for IRS and FTB to grant them tax exemption?

I hope you answered "NO" to both questions.

CSTC was formed as a C-corporation, then filed with IRS and FTB for tax exemption status. IRS and FTB granted tax exemption status because CSTC *was expected to make a profit but qualified under 501(c) for exemption from paying tax on those profits.*

In return for our tax exempt status, CSTC must comply with 501(c) regulations. Frankly, we could have \$1M in a bank account and so long as we comply with 501(c) regulations we would still qualify for tax exemption.

I would like to see CSTC continue to offer **affordable** education to members and non-members alike - I think all Chapters are doing that - AND I would like to see CSTC utilize any profits realize for the benefit of both their members and the tax professional community. Samples of benefits:

- Members receive a free Verifyle account
- Members have access to free payroll services from ADP
- Members of some Chapters receive a free tax research book for attendance at meetings
- Members receive a discount (minimum \$30 discount) on education events
- Chapters host a holiday event; some can even offer that event free of charge
- NonMembers receive a discount from some Chapters for first time attendance
- New Members receive a discount from Society and some Chapters for joining
- A Chapter could choose to host a free tax-preparation event within the community
- A Chapter could choose to give Scholarships to educate future tax professionals

In conclusion - it's "okay" to make a profit and it's even encouraged. Profits can be put back into Society member benefits, Chapter member benefits, local community events and even into educating new preparers through Scholarships.

*Respectfully submitted,*

*Jen Horton, Society 2<sup>nd</sup> VP Membership*