

7/12/95 Coastal Quilters Board Meeting

- I. Minutes were approved from June.
- II. Judy Gorrindo gave background information on why the Guild was trying to incorporate and updated the Board on where the process of incorporation is at, along with clarification from Barbara Maxwell: In May of '92, the Board started to investigate incorporating the Guild for 1) preventing personal liability of Board members for any accidents or injuries, and 2) keeping Guild members from quitting because of the risk of a personal lawsuit. Up until this time, the Guild did not have a tax ID number, but one was thereafter secured. Paperwork was filed for incorporation in December of '92. At the February '93 Board meeting, it was noted that 60% of the guilds in the Southern California Council of Quilt Guilds were incorporated. If our Guild were incorporated but not determined to be non-profit, there would be \$800 of State taxes. To this date, the Guild has never paid this. The Guild has now received a letter from the IRS (see attached), stating our application cannot be processed because of some missing information, and our case has therefore been closed. Barbara stated the missing information, namely, an amended state form, had been given to the IRS in the past. Barbara has been attempting to work with the contact person from the IRS on this, but she has been difficult to reach and has not returned calls. Barbara said she had last been told that the Guild has been given a 90-day extension on the matter, although the Guild does not yet have an official letter from the IRS stating this. The Guild has until August 5 (60 days) to receive this extension, or will have to file Federal income tax returns for all past years. Barbara stated also that she had been told verbally by the IRS that the Guild did not have to refile Form 1023, although the letter stated it should be refiled. Barbara had been told the Guild would hear back from the IRS in 2-3 weeks, which has just passed; at this point the Guild has not received anything further from the IRS.
A motion was passed that if the Guild does not receive a written extension from the IRS within the next week, Judy will consult with a CPA on the issues of past taxes and incorporation process.
- III. The Board discussed the copyright information that Judy secured (see attached). It was felt that ownership of the Santa Barbara Quilt by the Guild would not preclude different ownership of the copyright. After lengthy discussion, Barbara Maxwell decided that she wished to decline pursuing the project of reproductions of the quilt. Barbara had received a quote of \$1,600 on the project, plus other fees. Barbara was recognized for her work and effort in making the quilt project successful. Judy will seek clarification of copyright law, as there were still some questions raised on interpretation of the literature i.e. each artist being a co-owner of the copyright vs. Guild members preparing the piece within the scope of the Guild's authorization and copyright. It was suggested that the Board may wish to add a by-law revision, as it could be important to clarify this issue and set a clear precedent for future group projects. Judy will store the Quilt for now. The Board would still like to see the Quilt exhibited, including at Paducah, if possible.
- IV. Discussion on the Quilt Show profits was tabled until the IRS situation is further determined. An additional suggestion was made to give a scholarship at the university or community college to someone pursuing a degree in textile arts.

Respectfully submitted,

Susan Mihora-Scholl

Susan Mihora-Scholl, Recording Secretary

Not if June 21

7th stamped

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: JUN 05 1995

Employer Identification Number:
77-0395061
Case Number:
954351103
Contact Person:
B. THORNTON
Contact Telephone Number:
(310) 316-9015
Our Letter Dated:
May 12, 1995
Form:
1120
Tax Years:
all
90-Day User Fee Response Date: SEP 05 1995

COASTAL QUILTERS GUILD INC
P O BOX 6341
SANTA BARBARA, CA 93160

Dear Applicant:

On the above date we wrote you about your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. In that letter we asked you to send us additional information to show that you have met all legal requirements. To date we have not received the information necessary to make a determination of your tax-exempt status.

We therefore cannot process your application for recognition under Code section 501(c)(3) and have closed your case. Contributions to your organization are not deductible under Code section 170. In accordance with Code section 6104(c), we will notify the appropriate state officials of this action. If you want further consideration, please send us a new Form 1023.

User fees are not refundable for requests that are closed because information necessary to make a determination is not received. However, if you send us a new Form 1023 within 90 days from the date of this letter, no additional amount is due. If you send a new Form 1023 more than 90 days after the date of this letter, another user fee payment is required.

If you do send us a new Form 1023, PLEASE ATTACH A COPY OF THIS LETTER and be sure your application includes the information we requested in our earlier letter referred to above.

Section 7428 of the Code provides for bringing suit for a declaratory judgment in the United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia with respect to this determination. However, section 7428(b)(2) of the Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Since you have not provided the information needed, this may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under

Letter 1314 (DO/CG)

COASTAL QUILTERS GUILD INC

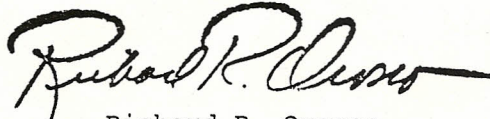
Code section 7428.

You are required to file Federal income tax returns on the form and for the years shown in the heading of this letter. File these returns with your key District Director for exempt organization matters within 60 days from the date of this letter, ~~unless a request for an extension of time is granted.~~ We will not delay processing of income tax returns and assessment of any taxes due because of your bringing suit for declaratory judgment under Code section 7428. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you have any questions about this matter, please write to the person whose name is shown at the top of this letter, or you may call that person at the telephone number shown. If you write to us, please provide your telephone number and the most convenient time for us to call in case we need more information.

Thank you for your cooperation.

Sincerely yours,

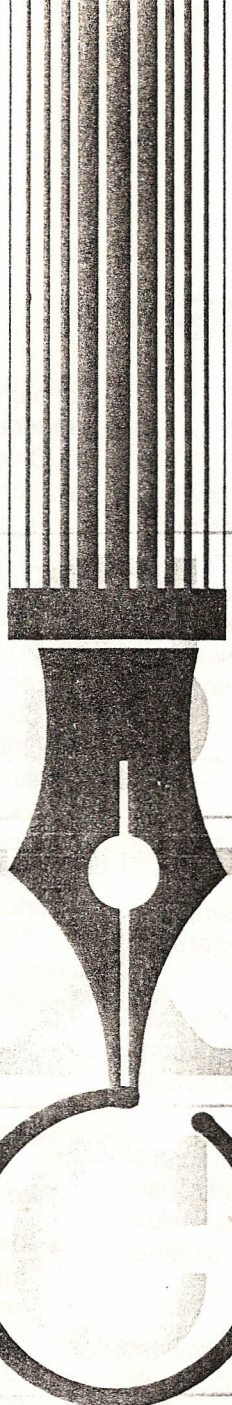
A handwritten signature in black ink, appearing to read "Richard R. Orosco", with a long horizontal flourish extending to the right.

Richard R. Orosco
District Director



Circular

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Q	R	S	T	U
V	W	X	Y	Z
A	B	C	D	E
F	G	H	I	J
K	L	M	N	O
P	Q	R	S	T

*Complete document
not scanned in
sk 10/21/19*