

Discussion within the Washington State Resident Group of Issues Affecting Dues and Membership

The following exchange of emails among the Washington State resident group will be of interest to the members and others involved with NaCCRA's Dues and Membership Committee: The emails are in chronological order with the earliest email first so that they can be read here in a straightforward way. The distributions have been eliminated so that the thread is more easily read.

The discussion begins with a question concerning the need for certain sections in one of the many drafts of an agreement under consideration between NaCCRA and NaCCRA-Washington.

On Tue, Jan 12, 2016 at 6:52 AM, Bennett Napier <bennett@executiveoffice.org> wrote:

Thank you. In reviewing some notes with our CPA firm, I will probably suggest some revised wording to these sections. Is Monday of next week an acceptable date by which to get the suggestions to this group.

Bennett Napier, M.S., CAE

President/CEO

Partners in Association Management
Partners Strategic Solutions

From: Stephanie Chamberlain

Sent: Tuesday, January 12, 2016 11:48 AM

Subject: Re: Questions

Yes, that will be fine. The Executive Committee will not be meeting until the 20th. Hellmut and I would like to present the revised agreement to that committee at that time.

I just listened to the last Paulk committee meeting (Jack sent me the link). It was most informative and gave me a better understanding of what the affiliate agreements are all about. If you have the time and its not too complicated, could you explain to me the difference between 501(c)(3) and 501(c)(4) that were mentioned during the meeting. You also said there were different benefits as to whether you incorporate or unincorporated for nonprofit. You didn't take the time during the phone conference to explain the difference, so I assume its complex. I know NaCCRA-Washington will be discussing whether to file for their own nonprofit rating or continue to be under NaCCRA's. Is incorporation vs unincorporated something we should look into and understand before making a decision?

Stephanie

From: Bennett Napier

Sent: Tuesday, January 12, 2016 9:45 AM

Subject: RE: Questions

[Below are some good summaries on the differences.](#)

C3 are primarily charities or groups with an education purpose
C4 is social welfare organizations/benefit the community
C6 is primarily trade associations and professional societies.

<https://www.irs.gov/pub/irs-tege/eotopici03.pdf>

[https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501\(c\)\(3\)-Organizations](https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501(c)(3)-Organizations)

<https://www.irs.gov/pub/irs-tege/eotopick03.pdf>

<http://www.nolo.com/legal-encyclopedia/what-an-unincorporated-nonprofit-association.html> - can operate unincorporated if you have less than \$5K in revenue but liability is personal liability on the volunteers

Bennett Napier, M.S., CAE
President/CEO

Partners in Association Management
Partners Strategic Solutions

From: Stephanie Chamberlain
Sent: Tuesday, January 12, 2016 12:14 PM
Subject: Re: Questions

Thanks Bennett for your info.

Below is my recap of Mr. Paulk's last committee meeting. If I have misstated something or overlooked something, I would appreciate your letting me know. I plan to send my recap to the NaCCRA-Washington Executive Committee tomorrow and I will incorporate any feedback any of you on distribution of this email provides.

Thanks and have a good day, Stephanie

I have listened to the Paulk Committee telephone conference meeting of 1-11-2016. I found it most informative and it helped my understanding of what NaCCRA and that specific committee are trying to accomplish. I know we each hear conversions differently based our knowledge, experience and bias but I want to share with you what I think I heard.

1. NaCCRA, via Jack Cumming, is in the process of creating "Affiliate Agreements" with several different state CCRC organizations – not just NaCCRA-Washington.
2. NaCCRA would like to have enough funds to pursue a federal law that requires absolute financial transparency in all CCRC contracts and have it pass the U.S. Congress. NaCCRA wants a contract simple enough for most senior citizens to understand. (Somewhere, I read that it might cost NaCCRA \$50,000 for a lobbyist.)

3. Some states like Florida and Illinois will retain their own independent 501(c)(3 or 4) status but are willing to increase their membership dues by some “agreed upon amount “ to fund NaCCRA. They are talking about an “agreed upon amount” per individual member, not a fixed amount per association.
4. The “agreed upon amount” can vary by state depending on the services they expect to receive from NaCCRA and Partners in Association Management/Partners Strategic Solutions who employs Bennett Napier. Like for Washington, it has been determined that \$10 will cover the cost of maintaining membership and contribution/dues monies /administration and the support of Bennett answering our inquiries.

I believe there will be a lot for Washington to consider and understand if we decide to do anything different than the relationship we have now with NaCCRA. 501(c)(3) nonprofit vs 501(c)(4) profit, incorporated vs unincorporated, will the executive committee members need to be covered by liability insurance? And I’m sure there are other things as well.

From: Liz Tidyman

Subject: A thought about an action item from the 1/6/16 NaCCRA Board Meeting

Date: January 17, 2016 at 10:34:25 AM PST

Dear Jack, Stephanie, and Hellmut,

Sometime during the first 45 minutes or so of the 1/6 NaCCRA Board meeting, there was discussion of the draft agreement between NaCCRA and NaCCRA Washington. I listened to the meeting teleconference, and have listened to the recording again.

I heard the President (Bob Nicholson) task Jack, supported by Bennett Napier, to work with the WA President and Treasurer on the details of the agreement.

I am writing to ask that Jim McClaine, nominated by Washington’s Executive Committee to be the President starting February 9, be included in all communications and conference calls.

It is a coincidence that NaCCRA’s work on a draft agreement is happening just at the time that NaCCRA WA is nominating and electing officers to continue the work.

I see long-term benefits to having both the outgoing and incoming Presidents involved in working out the details.

Thank you for considering this. Note I have not copied Jim on this email.

I think if anyone were to chime in with support for the idea it would become pretty close to a done deal.

Here is Jim’s email address and phone number.

jemcclaine@gmail.com

Cell: 206-595-9933

Thanks,
Liz Tidyman
NaCCRA Supporting Member

On Sun, Jan 17, 2016 at 2:08 PM, Jim McClaine wrote:

Hellmut,

There are many issues with the draft affiliation agreement between NaCCRA and our WA State Association. Most are not related to the financial terms. The ExCom should discuss these items and consider asking NaCCRA for some changes. Based on the last meeting of the Dues and Membership, I would not expect any resistance.

Having listened to David Curtis from Illinois, I think it makes a lot of sense to align our approach with the Illinois Association. David's comments at the Dues and Membership meeting make sense to me.

Also, after listening to the Dues and Membership Committee meeting, it is clear that the dues sharing issue and incorporation in WA State as a nonprofit are clearly two different issues.

This agreement would establish us as an affiliate of NaCCRA. All other affiliates are incorporated as nonprofits and have 501c3 or 501c4 status with the IRS. The Committee Chair said he thought affiliates should have non-profit status with the IRS.

Before we sign an affiliation agreement, we should discuss the issues and have a plan for the future.

Jim

On Mon, Jan 18, 2016 at 8:33 AM, Stephanie Chamberlain wrote:

Jim and Liz,

At the last NaCCRA-Washington Executive Committee (EC) meeting there was a lot of discussion about whether the WA chapter should become its own 501(c)(3,4,?) and if we should work with NaCCRA on the Affiliation Agreement. We came to the conclusion that we should work on the agreement for at the present we are an affiliate of NaCCRA. Should we decide in the future to be our own 501(c)(?), then we could rework the agreement if needed. The task to review and modify the Agreement was assigned to Hellmut & me and to work with Jack Cumming and Bennett Napier. We have been working on it and are close to agreement. Hellmut has been out of town and today he will be reviewing the current version of the Agreement to see if there more revisions needed.

I am confused about your concerns. We can become our own 501(c)(?) and still be affiliated with NaCCRA. I listened to the Paulk Committee also and I have attached the recap I wrote. I know we interpret what we hear based on our own knowledge, experience & bias, but I heard Illinois and Florida say they were willing to increase their state dues to include some agreed

upon dollar amount for NaCCRA and stay affiliated with NaCCRA – to pay dues based on individual membership instead of a fixed fee for a state organization. Perhaps our Agreement will become a boiler-plate used by other states.

The approval process for the Agreement is unclear to me at this point. I will leave that up to Hellmut and Jack. I would think it would take the EC and NaCCRA Broad review and approval before being signed by the two Presidents (Hellmut & Bob)

Stephanie

From: Jim McClaine

Sent: Monday, January 18, 2016 9:43 AM

Subject: Re: Draft Affiliation Agreement

Stephanie,

It is difficult to have this discussion using email; it would be easier in person. However, I've included some input in red in your email below:

At the last NaCCRA-Washington Executive Committee (EC) meeting there was a lot of discussion about whether the WA chapter should become its own 501(c)(3,4,?) and if we should work with NaCCRA on the Affiliation Agreement. We came to the conclusion that we should work on the agreement for at the present we are an affiliate of NaCCRA. Should we decide in the future to be our own 501(c)(?), then we could rework the agreement if needed. The task to review and modify the Agreement was assigned to Hellmut & me and to work with Jack Cumming and Bennett Napier. **I agree with everything you've said here.** We have been working on it and are close to agreement. Hellmut has been out of town and today he will be reviewing the current version of the Agreement to see if there more revisions needed. **I would hope that you and Hellmut would consider discussing my concerns on the Agreement as I believe NaCCRA would be willing to consider changing some things that would be better for our WA State members.**

I am confused about your concerns. **I have not voiced my specific concerns but it may be worthwhile for me to mention one. In 3.11 on page 3 of the agreement it says "Donations may be made to NaCCRA to support educational and public benefit activities in the State of Washington." Does "donations" cover membership dues? I think so. So I believe this would mean that membership dues and donations from individuals and corporations could not be used for Advocacy in Olympia. My idea to use donations to fund a lobbyist violate the Agreement. I understand that NaCCRA cannot jeopardize their 501c3 status by using too much of their funds to lobby. However, I understand that some is permitted. This needs to be discussed with NaCCRA to see if 3.11 could be modified. Another alternative that could be considered. I understand that both Florida and Illinois want to have members in their state pay membership dues and donations to the state (even with Napier's company doing the processing) so as 501c4's they can use any dues and donations for advocacy. I may have some of this wrong but with NaCCRA's help and advise from Florida and Illinois, I'm confident that we can get this issue resolved and modify the agreement. This is only put forth as an example of my concerns. We can become our own 501(c)(?) and still be affiliated with NaCCRA. **Yes, I think we can.** I listened to the Paulk**

Committee also and I have attached the recap I wrote. I know we interpret what we hear based on our own knowledge, experience & bias, but I heard Illinois and Florida say they were willing to increase their state dues to include some agreed upon dollar amount for NaCCRA and stay affiliated with NaCCRA – to pay dues based on individual membership instead of a fixed fee for a state organization. Yes, I heard this as well and I think we should consider doing the same. However, they said some other things like they want to know the specific services NaCCRA will be providing for the per member fee and they want the dues paid to the state association for a number of reasons. Both David Curtis and Bennett Napier spoke well to these points. I hope we are asking for the same things. Perhaps our Agreement will become a boiler-plate used by other states. Maybe but only if some things change in our agreement.

The approval process for the Agreement is unclear to me at this point. I will leave that up to Hellmut and Jack. Based on some of Jack's comments at the Dues and Membership Committee, I think he would consider some changes but we probably need to ask. I would think it would take the EC and NaCCRA Broad review and approval before being signed by the two Presidents (Hellmut & Bob)

I hope this helps you understand more of my thoughts.

Jim

From: Liz Tidyman

Sent: Monday, January 18, 2016 9:54 AM

Subject: Re: Draft Affiliation Agreement

I am writing from Olympia fifteen minutes before I use my private citizen voice to testify on a bill in the Senate Health Care Committee that affects CCRC residents and others: Long Term Care Pharmacies.

Like Jim, I will provide two examples of my questions and concerns.

1) LeadingAge acted with business-like dignity by declining to have a retiring CEO execute an agreement with NACCRA. Bob and others have complimented that action. Should not the same business practice be applied here; involving an incoming President in finalizing a going-forward agreement?

2) Does the current draft of the agreement specify which if NaCCRA's two corporate entities is offering to enter into an agreement - the FL corp incorporated in 2013 or the Maryland corp incorporated in 1999?

Expecting this to be a pilot or model to use with other states, I believe it benefits all CCRC residents to deal with known questions before signatures.

Thank you,

Liz Tidyman

Sent from my iPhone

From: Bennett Napier

Sent: Monday, January 18, 2016 10:01 AM

Subject: RE: Stephanie's response to Jack's comments regarding Affiliation Agreement

Source:

<http://www.nonprofitrisk.org/advice/faqs/fundraising2.shtml>

Any organization or unincorporated association may receive a contribution if a donor is willing to contribute to an organization that is not yet recognized as tax exempt. Typically, donors, especially private foundations, are unwilling to give a contribution to an organization unless it is recognized as tax-exempt by the federal government. When an organization is not yet recognized as tax-exempt, it should be very clear in communications with potential donors that contributions are not deductible, otherwise the charity could violate state laws governing fraudulent charitable solicitations (see above). One strategy commonly used by start-up organizations seeking to receive tax-deductible contributions is to identify a "fiscal sponsor." The fiscal sponsor or "fiscal agent" is another charity willing to serve in a fiduciary capacity to receive gifts on behalf of your organization. The fiscal sponsor receives contributions on behalf of the organization that is not yet tax-exempt, and administers the gift acknowledgement function. This arrangement should be formalized in a written agreement.

In the case above, NaCCRA serves as the fiscal agent and there is a pending agreement.

<https://www.irs.gov/pub/irs-pdf/p1771.pdf> Helpful link

Bennett Napier, M.S., CAE

President/CEO

Partners in Association Management

Partners Strategic Solutions

From: Stephanie Chamberlain
Sent: Monday, January 18, 2016 10:15 AM
Subject: Re: Draft Affiliation Agreement

Thanks to those who have responded to my original email this morning. Let's wait until Hellmut has a chance to see what Jack, Bennett and I have done with revisions to the Agreement. He can check to see if we have addressed your areas of concerns.
Stephanie