

# Ocean Avenue Association Board of Directors

## Notice of Special Meeting Meeting Minutes

Thursday, January 26, 2012  
10:00 AM  
Conference Call

Attendees: Howard Chung, Dan Weaver, Shirley Lima, Reverend Gordon, Walee Gon, Melanee Cottrill, Civitas Attorney  
Staff: Cathy Hickey

### 1. IRS Determination

Melanee Cottrill, Civitas attorney, explained the organization was denied 501c3 status and the difference between being a 501c3 versus 501c4. She presented the options available to us.

- **Option A:** IRS will approve the Association as a 501c(4).
  - *Recommendation:* Form a second corporation to serve as an affiliated foundation and which could qualify for 501c(3) status and apply for grant funding. 501a c(4). This is a method that other districts have successfully implemented. Because the second corporation would not be subject to the same restrictions the Association is (because of the CBD), the second corporation could be designed to better fit the IRS' requirements for c(3) status.
- **Option B:** Continue to pursue 501c(3) status. 1 year and seven month process; five years and seven months on the long side.
  - The process:
    - IRS Reviewer prepares denial letter and forwards it to the "quality review staff" for review.
    - Quality review takes approximately 6 months, and may request additional information.
    - Quality review staff officially issues the denial letter. We have 30 days to respond.
    - We respond to the denial letter and enter the appeals process.

Melanee explained if we choose to file a separate application for a 501c3, we will need to create an organization from the ground up; by-laws and articles of incorporation etc. It will take approximately 2 months to create another organization.

Other option is fiscal sponsorship. Reverend Gordon offered to act as fiscal sponsor in lieu of paying the assessment. Howard said it was worth exploring at another time.

**Action:** Dan makes a motion to apply for the 501c4. Reverend Gordon seconded. The motion passes unanimously.

### 2. Meeting adjourned at 10:30am

Agenda item materials available for this meeting on request to [info.oacbd@gmail.com](mailto:info.oacbd@gmail.com)

Public comment on any item and general public comment is generally limited to 3 minutes; the chair may limit public comment if time constraints require.