

# THE RHODE ISLAND DRIVING CLUB, INC

## JANUARY NEWSLETTER

January 28, 2008

Written by Dottie Billington.

2008 RIDC membership dues are now due. If your membership dues are not paid by February 15, 2008, you will no longer receive the newsletter or the Horsemen's Yankee Pedlar. Pedlar subscriptions run from January thru December. The Pedlar mails out January and February issues to club members as a courtesy, but will be billed for issues beyond that. If you pay your dues after that date, your Pedlar can be reinstated with a pro-rated subscription. The RIDC currently has 78 members and about 50 have renewed their dues for 2008. After mailing out the newsletter to the members we lost in 2007, we have regained some of those members. The Pedlar management was also gracious enough to extend our over \$600 2007 advertising credit thru 2008. This benefit, however, must be used this year or the club will lose it for good. There should also be an additional \$500 or so advertising credit coming for the subscriptions we pay for this year.

At the January meeting, the 2008 Officers were elected: President: Dottie Billington, Vice President: Don Allaire, Treasurer: Bev Willard, Secretary: Cat Luce, Directors at Large: John Frost, Don Bradbury and Janice Meszoely. The newsletter will come out monthly. Members have chosen to receive it either as an e-mail or paper. About 25% of the membership has chosen paper. The club voted to make Bev Willard and Cat Luce the two signers on the checking account. A resolution needed to be filed with the bank along with the club's articles of incorporation to open a corporate checking account. The club received a nice card from Susan Koso thanking the club for the gift of the poinsettia for being the TD at the fall show. Bill Ostiguy has reserved several dates at Goddard Park in August and November. The auction netted the club about \$300 for the treasury.

The issue of the club's tax-exempt status was discussed and tabled until the February meeting. Please read the page entitled "The Financial State of the Rhode Island Driving Club". This is an important decision for the club membership to make.

*The next meeting of the RIDC will be held February 8 at 7:00 PM at the retail store of Coachman's Delight, (508) 782-1720 Please bring a potluck snack for the meeting. Business Meeting 7:30, Please RSVP Janice Meszoely (508) 339-3628*

*Directions: 206 East Main St. in the Nathaniel Plaza in Milford, MA 01757.*

- 1. Take your best Route to I-495 in Massachusetts (South of the Mass Pike/I-90)*
- 2. Take exit 19 (Rt. 109/Milford)*
- 3. At the end of the ramp: From the North, Turn right, From the South, Turn left*
- 4. Almost immediately, turn right at Beaver St. (there is a light at this intersection) Burger King will be on your right*
- 5. Go 1/2 mile and turn left onto East Main St./Rt. 16 (first light)*
- 6. Coachman's Delight is in the Nathaniel Plaza .6 miles up on your right, just past the Toyota dealership (look for a Quizno's in our shopping plaza).*

# The Financial State of the Rhode Island Driving Club

The Rhode Island Driving Club was founded in 1987 in Foster, Rhode Island. In 1991, the club was incorporated in the state of Rhode Island as a Domestic Non-profit Corporation. The RIDC, however, never applied to the Internal Revenue Service to be a tax-exempt organization, which required the club to submit Form 1024 and Form 8718 along with a fee to the IRS. The RIDC is not and never was a 501(c) organization of any type.

Assuming the club was a “non-profit organization” was a mistake many of us made over the years and with few or no old documents or meeting minutes of the club remaining, it was an easy assumption for anyone to make as the RIDC is incorporated in Rhode Island as “Entity Type: Domestic Non-profit Corporation”. Incorporating was the right thing for the club to do, as it gives the Board of Directors corporate protection from lawsuits, along with attaining an EIN (employer identification number) to open the corporate checking account which is secure and not just under one person’s social security number; unfortunately that is just the first half of the process in becoming a true non-profit organization.

According to the IRS, the RIDC should have been filing Form 1120 each year with the IRS since 1991 as a business. In the past this was never an issue because the club officers always made sure that the funds in the treasury were kept very low and we raised very little money at the show which was mostly a show for the club membership. This thinking kept the club away from IRS problems. By operating a large carriage driving show, a Pandora’s Box has been opened and the club has been put in the position of now having to file an income tax return and possibly pay income taxes for 2007. At this point, with no records, there is nothing that can be done about the years before 2007 unless the IRS makes some sort of demand and if so it will be dealt with at that time. At this writing, the records from 2007 are being compiled to take to a CPA to fill out the necessary tax return forms.

The time has come for the RIDC club membership to decide which type of club they want to have.

1. **Remain a for-profit corporation** in the eyes of the IRS and continue to run a large carriage driving show (or not as the membership decides). This would mean the club must maintain detailed bookkeeping records (not just a check book register) for both the club and the show expenditures and income, file Form 1120 each year with the IRS and pay taxes on all club income. Members voting for this option must be prepared to take responsibility for these issues as it can be a lot of work.

2. **Apply to the IRS for 501(c)7 non-profit status** in the eyes of the IRS and remain a members-only social type club. This will require the club to file Form 1024 and Form 8718, pay a fee of \$300 and submit it to the IRS for approval. This will allow the club to take in up to \$10,000 from members and will give the club a tax deduction of \$1,000 for monies brought in from the general public. A show can be run, but there will be tax liability from its income. A smaller show may be more in order here. The RIDC will be required to file Form 990-N each year and Form 1120 for any other income that comes from the general public. If the membership abides by the IRS rules for a 501(c)7 the record keeping can be minimal. (See IRS Publication 557, page 48.) This process can take 3 – 6 months.

The RIDC does not qualify for 501(c)3 status as those are highly regulated, educational and charitable tax deductible organizations which the RIDC is not.

# 2008 Rhode Island Driving Club Calendar

(visit the RIDC web site for the complete 2008 calendar [www.ridridingclub.org](http://www.ridridingclub.org))

## **FEBRUARY**

### **8 RIDC General Meeting, Milford, MA**

9 Coachman's Delight Classroom: Reinboard Session (MA)

9 MLMDC, Introduction to Driving Part 1, Goucher College, Towson, MD

Contact: Susan Kary (301) 493-8115 [karysusan@aol.com](mailto:karysusan@aol.com)

10 A Day of Sleighing & Mock Sleigh Rally, Carriage Equestrain Barn, Newtown, NH

11 7:30 Rhode Island Federation of Riding Clubs meeting,

West Greenwich Town Hall, West Greenwich, RI

16 Saratoga Driving Association Get Ready for Spring Mid Winter Driving Conference

Verdoy Fire Station, Route 7 Albany, NY Contact: <http://www.saratogadriving.com/>

28 GMHA Winter Sleigh Driving Series: South Woodstock, VT

Contact: Karey Manner, Phone: 802-457-1509

## **MARCH**

1 – 2 The Driving Forum Driving Conference & Trade Show

Clarion Hotel, West Springfield, MA, Sat 9-6, Sun 9-5

8 Frostbite Series ADT I Newton, NH Contact: The Carriage Barn, Ann Miles (603) 378-0140

11 7:30 Rhode Island Federation of Riding Clubs meeting,

West Greenwich Town Hall, West Greenwich, RI

### **14 RIDC General Meeting, Uxbridge, MA**

22 Frostbite Series ADT II Newton, NH Contact: The Carriage Barn, Ann Miles (603) 378-0140

30 9:00 - 3:00 Rhode Island Federation of Riding Clubs Horsemen's Flea Mkt.

Metcalf School, Route 102, Exeter, RI Contact: Marilyn Graf (401) 397-7329

## **APRIL**

5 Frostbite Series ADT III Newton, NH Contact: The Carriage Barn, (603) 378-0140

### **11 RIDC General Meeting, Norfolk, MA**

12 (rain date 19) 9:30 AM Clean-up day at the

LeGrande Reynolds Horsemen's Area at Escoheag, RI

15 7:30 Rhode Island Federation of Riding Clubs meeting,

West Greenwich Town Hall, West Greenwich, RI

27 11:00 AM "Blessing of the Horses" ride and drive at LeGrande Reynolds Horsemen's Area,

Escoheag, RI \$5 donation for the RI Federation of Riding Clubs

# The Rhode Island Driving Club, Inc.

## 2008 New Membership & Renewal Mail-in Form

New \_\_\_\_\_ Renewal \_\_\_\_\_

Newsletter Preference: E-mail \_\_\_\_\_ Paper USPS \_\_\_\_\_

Established in 1987 by a small group of carriage driving enthusiasts from Foster, RI, the club has grown to over 70 family memberships primarily from MA, CT and RI. The club's mission is to promote the sport of carriage driving in its many forms. A general meeting is held on the second Friday of each month along with other driving related activities on other days.

Members participate in a variety of clinics, pleasure driving activities, competitions and recreational driving. We welcome new members, whether you are already driving or working toward getting started, Friesians to backyard pony, we have them all.

Annual dues are **\$25.00** per year, which includes a one-year subscription to the Horsemen's Yankee Pedlar. All of our memberships are family membership, but each membership is only entitled to one vote at any meeting. New memberships receive a copy of the current RIDC By-laws, a membership list and a club lapel pin. Membership lists are never rented or sold to a third party.

Name: \_\_\_\_\_

Street \_\_\_\_\_

Town \_\_\_\_\_ State & Zip Code \_\_\_\_\_

E-mail \_\_\_\_\_ Phone \_\_\_\_\_

Your driving interests: \_\_\_\_\_

Do you receive the Horsemen's Yankee Pedlar from another club? \_\_\_\_\_

Please print and mail this form along with a check made out to "RIDC" to:  
The Rhode Island Driving Club, Inc, c/o Beverly Willard, 7 Rhodes Street, Plainville, MA 02762

Memberships can also be renewed with a credit card on the Rhode Island Driving Club website:  
<http://www.ridridingclub.org> on the Join Us page.

Date \_\_\_\_\_