



## **Minutes of the Canadian Club Executive Committee (EC) Meeting**

**February 14th, 2024**

**10:30 am**

**EAC – Largo Room**

**Called to order by the President, Mary Smith, at 10:42**

**Minutes** Gary Seymour offered to take the minutes, since our Secretary had resigned, and the rest of EC accepted.

**Mary introduced Joanne Fenn, the Picnic Event Coordinator and welcomed her to the EC meeting.**

### **EC members in Attendance:**

President Mary Smith,

Vice-President Debra Kerrison,

Treasurer Gary Seymour,

Ticket Sale Coordinator Lydia Cote,

Registrar Susan Cober

Past President Connie Stanley.

**Agenda** The agenda as circulated was adopted except for changing the order by putting the picnic first, and Spring Fling second, the Registrar's report third, since Sue had to leave quickly. Agreed, by consensus.

### **Picnic**

The date of the picnic is 5 Mar 24. Feb 22<sup>nd</sup> is deadline for food. Food will be ¼ chicken, dark or white, from Publix or Sprouts, Joanne will check out the other Sprouts on 19 north and decide which would be better. We'll do our music/karaoke sound system, and games if

Joanne wants to run any. Lydia will pick up the food. Mary and Gary will get and set up the sound system. Ken and Connie volunteered to serve.

### **Spring Fling**

Ticket prices: \$25 members, \$30 other adults (21 and above) ages 8 and under free, ages 9-20 inclusive \$25. 160 tickets, 10 tables of 16 -five on each side. Debra will do decorations. Volunteers are going to be canvassed at the point of sale – Gary will make a form of questions to ask the volunteers, and they will be told that they get food first. For Banquet Masters INC.: not enough lettuce, and 3 bowls of add ins were empty as well, server did not replace empty chicken fast enough, so some did not get one some thought there was too much salt on the veggies, which other

### **Registrar Report**

If we have 298 members, there is shortfall in registration revenue received to date of \$174.

### **Treasurer's Report**

Gary tabled a transaction report of all account transactions since the last EC meeting, showing a closing balance of \$5,143.85: Annex A. The Cadence Bank account was closed during this period, so all of our money now resides with Wells and Fargo. The bank balance is close to \$300 more than that amount as there are a couple of uncashed cheques, including a \$200 damage deposit check that SCA holds that we hope will never be cashed. But some of the Friendship Dinner Dance expenses have come in so the balance is \$2,841.52, with some more expenses to come, but at the moment there is over \$150 surplus on the event.

Also tabled was a report on how we are doing with the Friendship dance: Annex B, which shows that is the outstanding expenses stay within budget this dance may come in below budget even with only charging \$25 per person for all.

Another report was tabled: Annex C, showing our overall current picture, but it does not show outstanding expenses due, such as the catering costs for the Friendship Dance.

### **New Business**

- Official Department of State 2024 Filing Report – to be recorded in the minutes as Annex D. It shows that as we are exempt from income tax the *Corporate Transparency Act* does not apply to the OTOW Canadian Club Inc (the Corp.).
- Secretarially passed motion to reduce the reserve amount – to be recorded in the minutes, as Annex E, it establishes that our end of year Reserve is now \$1,500 and that the Balance from last year's year end is available to spend on whatever the EC decides.

- Articles of Incorporation – Gary had circulated an explanation of where we stand with the old C&BL, attached as Annex F. He elaborated and clarified how incorporations stripped us of our C&BL, and that our Articles of Incorporation, which are our “constitution”, don’t say very much, so he has been working on new Bylaws to essentially replace the C&BL entirely. Some parts like the composition of the EC (now the Board of Directors - wording of the *Not For Profit Corporation Act*) are very similar. However the Act prescribes some things the Corp. must do, some thing it may do (like kick out a member) and some things it cannot do. He is aiming to complete his draft before the next EC meeting.

Approval of minutes of 9 Jan 24 tabled for the next meeting.

**Date of Next Meeting: TBD, but after the Spring Fling and before the AGM**

**Adjournment @12:04**

**Annex A**

<u>Account Transactions</u>			<u>Jan. 8th to Feb. 13, 2024</u>	<u>All Accounts</u>		
NUM	DATE	TO	CATEGORY	MEMO	AMOUNT	BALANCE
103	2024-01-09	John Henry	Tampa Bay Downs		-\$894.40	\$2,697.00
	2024-01-10	SunBiz OTOW Irish Club	Miscellaneous : Sunbiz Annual Corporate filing fee		-\$61.25	\$2,635.75
104	2024-01-11	Club	St Patrick's Day : Donation		-\$50.00	\$2,585.75
	2024-01-15	Various	Split/Multiple Categories		<b>\$1,084.00</b>	<b>\$3,669.75</b>
			Tampa Bay Downs : sales	From John Henry	\$884.00	
			Matinee Lunch Theatre : ticket sales	From Mary Smith	\$200.00	
	2024-01-15	Gary Seymour	Share the Wealth : float in		\$100.00	\$3,769.75
	2024-01-15	Mary Smith	Friendship Dinner Dance : float out		-\$100.00	\$3,669.75
				Sidney Colon and Associates Damage deposit replacing Cadence check #1375. This check is actually undated		
105	2024-01-19	SCA OTOW Canadian Club Inc	Miscellaneous	Balance of funds transfer to Wells Fargo account and close this account	-\$200.00	\$3,469.75
1494	2024-01-19	Inc	Miscellaneous		-\$749.21	\$2,720.54
			Matinee Lunch Theatre :		-	
106	2024-01-20	Early Bird	Invoice from Ed Fletcher's		\$1,155.00	\$1,565.54
107	2024-01-20	Sue Cober	Registration : Supplies		-\$96.97	\$1,468.57
108	2024-01-21	Mary Smith	Printing : Cartridges		-\$67.00	\$1,401.57
		OTOW Canadian Club Inc		Banlance of funds in Cadence account received to close that account		
	2024-01-22	Inc	Miscellaneous		\$749.21	\$2,150.78
		Florida Department of State				
109	2024-01-22	State	Miscellaneous	Copy of Articles of Incorporation	-\$8.75	\$2,142.03
NUM	DATE	TO	CATEGORY	MEMO	AMOUNT	BALANCE

	2024-01-25	Various	Split/Multiple Categories		<b>\$1,465.00</b>	\$3,607.03
			Matinee Lunch Theatre : ticket sales	from Mary Smith	\$250.00	
			Registration : Sales	from Sue Cober	\$140.00	
			Friendship Dinner Dance : Sales	from Lydia Cote	\$1,075.00	
110	2024-01-26	Gary Seymour	Supplies : Hardware to fix damaged cupboards		-\$16.71	\$3,590.32
	2024-01-29	Prints2go	Printing : calendars	40 more	-\$17.80	\$3,572.52
	2024-01-29	Various	Split/Multiple Categories		\$605.00	\$4,177.52
			Registration : Sales	from Sue Cober	\$5.00	
			Friendship Dinner Dance : Sales	from Lydia Cote	\$600.00	
	2024-02-04	US Mobile	Supplies : monthly bill		-\$5.00	\$4,172.52
	2024-02-06	Lydia Cote	Friendship Dinner Dance : Sales		\$350.00	\$4,522.52
	2024-02-09	Lydia Cote	Friendship Dinner Dance : Sales		\$325.00	\$4,847.52
	2024-02-09	Lydia Cote	Friendship Dinner Dance : Float in	cash	\$100.00	\$4,947.52
	2024-02-09	Lydia Cote	Spring Fling : float out	cash	-\$100.00	\$4,847.52
	2024-02-09	Lydia Cote	Friendship Dinner Dance : Sales		<b>\$375.00</b>	\$5,222.52
	2024-02-09	Prints2go	Split/Multiple Categories		-\$78.67	\$5,143.85
			Printing : calendars	40 more	-\$22.48	
			Friendship Dinner Dance : past pres. bd.		-\$56.19	
<b>Grand Total</b>						<b>\$5,143.85</b>

**Annex B**

<b>Friendship Dinner Dance Budget for 2023/24 with Actuals as of 13 Feb 24</b>				
			Budget	Actual
1	Catering	111 x \$18.81, Tax included	\$1,819.24	\$2,087.57
6	DJ Services		\$495.00	\$325.00
7	Printing		\$25.00	\$56.19
8	Decorations		\$120.00	
9	Coffee		\$20.00	
10	Coffee supplies & ice		\$5.00	
11	Cake		\$50.00	
	Door Prizes		\$0.00	
12	<b>TOTAL</b>		\$2,534.24	\$2,468.76
	Revenue to date			\$2,775.00
	Gain/Loss			\$306.24

## Annex C

### OTOW CANADIAN CLUB FINANCIAL REPORT

March 22 ,2023 to February 13, 2024

REVENUE	Reported	Received		
				34 membership fees unaccounted for =
<b>Membership fees received:</b>	298	262	\$1,310.00	\$170
<b>Share the Wealth:</b>			\$75.00	
<b>TOTAL</b>			<u>\$1,385.00</u>	

**Activities:**

	Receipts	Expenses	"+/-
Christmas Party	\$2,445.00	\$2,182.72	\$262.28
Tampa Bay Downs	\$884.00	\$894.40	-\$10.40
Friendship Dinner Dance	\$2,775.00	\$106.19	\$2,668.81
Golf Fun Day			\$16.05
Spring Fling			\$0.00
Social Games			\$0.00
Lawn Bowling Tournament			\$0.00
Blue Jays Baseball	\$228.00	\$1,000.00	-\$772.00
Picnic			\$0.00
Happy Hour/Cabaret			\$0.00
<b>Total</b>	<u>\$6,332.00</u>	<u>\$4,183.31</u>	

**Net Cost of Activities**

\$2,148.69

**Club Expenses:**

**Accumulated surplus available**

**\$741.29**

AGM	\$358.15
Registration night and costs	\$382.66

Miscellaneous and supplies	\$393.07	
Printing	\$198.23	
Website & Domain	\$132.00	
St. Patrick's Day Parade	\$50.00	
Blackout	\$20.32	
Contingency		
Incorporation Fees	\$61.25	
Total Club Expenses		<u>\$1,595.68</u>
<b>Revenue minus club expenses</b>		<b><u>-\$210.68</u></b>
<b>Net Gain/Loss for the Year</b>		\$0.00
<b>Disposition of Accumulated Surplus</b>		
<b>Total Accumulated Surplus available for disposition</b>		
<b>Total</b>	\$0.00	
<b>Remainder of Accumulated Surplus forwarded to (YEAR)</b>		<u>\$0.00</u>



## Annex D

### Does OTOW Canadian Club Inc. have to file a Beneficial Ownership Information report with the US Department of the Treasury?

The Corporate Transparency Act (CTA) requires certain types of U.S. and foreign entities to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. The BOI E-Filing System supports the electronic filing of the Beneficial Ownership Information Report (BOIR) under the CTA

An entity is required to report beneficial ownership information if it is a “reporting company” and does not qualify for an exemption.

OTOW Canadian Club Inc. meets the definition of a reporting company, so then the issue is whether it can have an exemption.

One of the many exemptions is if the entity is a tax-exempt entity.

Tax-exempt entity (Exemption #19) An entity qualifies for this exemption if any of the following four criteria apply:

1. **The entity is an organization that is described in section 501(c) of the Internal Revenue Code of 1986 (Code) (determined without regard to section 508(a) of the Code) and exempt from tax under section 501(a) of the Code.** ≤ Yes ≤ No
2. The entity is an organization that is described in section 501(c) of the Code, and was exempt from tax under section 501(a) of the Code, but lost its tax-exempt status less than 180 days ago. ≤ Yes ≤ No
3. The entity is a political organization, as defined in section 527(e)(1) of the Code, that is exempt from tax under section 527(a) of the Code. ≤ Yes ≤ No
4. The entity is a trust described in paragraph (1) or (2) of section 4947(a) of the Code. ≤ Yes ≤ No

The Code referred to is the Internal Revenue Code

The Internal Revenue Code provides at paragraph (7) of subsection 501(c):

TITLE 26—INTERNAL REVENUE CODE

501. Exemption from tax on corporations, certain trusts, etc.

(a) Exemption from taxation

An organization described in subsection (c) or (d) or section 401(a) shall be exempt from taxation under this subtitle unless such exemption is denied under section 502 or 503.

(c) List of exempt organizations

The following organizations are referred to in subsection (a)...

...

(7) Clubs organized for pleasure, recreation, and other non-profitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder.

Since OTOW Canadian Club Inc. meets the definition of a Club in this paragraph, it is exempt from taxation and consequently exempt from having to file a BOI report under

## Annex E

### Adopted Motion Respecting the Reserve and the Accumulated Surplus

#### Background

On March 25th, 2021 the EC reduced the Reserve from \$3,000.00 to \$2000.00. Ken had originally proposed of \$1,700, but the EC adopted \$2,000.00. The reserve is meant to provide the club with operating money to cover Club costs until revenue starts to come in the following fiscal year. The balance of the back account at the end of a fiscal year is reduced by the Reserve and what's left is called the Accumulated Surplus. The executive had previously decided that half of it is allowed to be spent in the following fiscal year on any of an enumerated list of things:

1. Donation to another OTOW Club in accordance with our Donation Policy;
2. Rick McLauchlan moved that the Donation Policy be adopted, seconded by Laurie Fischer and passed by the EC.
3. Durable items: e.g., locks, sound system, cordless mikes, etc.;
4. Items that will save money, enhance or promote the Club: e.g., ceremonial Canadian flag, projector, banners, wreath, etc.;
5. In the event of a significant Accumulated Surplus, a new one-time activity for the club could be considered; and
6. At the discretion of the EC, portions of surplus can be utilized to offset shortfalls to ensure budget balances.

#### Current Situation

The AGM and Registration meeting have cost \$933.82 this year, and some of the registration expenses only got paid AFTER we had received registration fees of \$830.00 on Registration night. The AGM alone was only \$358.13 and we had some other expenses like deposits for DJs that totalled a few hundred dollar. As a result the bank balance never dipped more than about \$900.00 since the fiscal year started. I do not believe that we need a Reserve of \$2000.00. I think \$1000.00 would be enough, but would pad that with an additional \$500.00, for a total of \$1,500.

Secondly, in respect of the Accumulated Surplus, the enumerated list ties the hands of the EC. Yes, we can always discuss an exception anytime we want, or about amending a category, or adding a new one, but I find that overly bureaucratic. I propose all of it should always be expendable on anything that the EC decides. Especially this year where we are below our anticipated revenue at this point

Lastly, the IRS' rules for a Not for Profit Corporation are that such a Corporation cannot make a profit in more than 2 years of any consecutive period of seven years. Otherwise it could lose it's Not for Profit Status and have to start filing returns. While that risk is very small I want to see us slowly lower our end of year balance until we carry forward much less than \$3500. My goal would be to only carry forward the reserve of \$1500, but to be fair, that should take some time to accomplish.

Motion:

I move to lower the Reserve to \$1,500.00, and that any amount in excess of that at year end may be spent in the following year as the executive sees fit, and that this apply retroactively to the beginning of the current fiscal year.

Seconded by Sue Cober and agreed to by Gary Seymour, Sue Cober, Mary Smith and Debra Kerrison.

## Annex F

### Rationale for New Bylaws

#### If we were governed by the C&BL

The old Constitution and Bylaws (C&BL) of Club required that the C&BL were to be "reviewed" at least every three years. It did not require that they be changed every three years. The last review was in 2021 and did involve some changes. As three years have passed it was thought appropriate to again review them.

The version sent around by the Past President as the "current" C&BL is the result of the last review in 2021. However, the changes that resulted from that review were never approved by a two thirds majority vote at a General Membership meeting, as is required by the previous versions of C&BL. Nor was the previous version of changes of dated February 13, 2018. So while those two versions of C&BL reviewed the previous version and changed them, they were never accepted by the membership and cannot be consider to be "in force" under the terms of the 2015 version of the C&BL, which is the last version that was approved by the membership at the AGM in 2015. So the current valid version of the C&BL would be the 2015 version, were we still governed by them.

But we are not.

#### Effect of Incorporation

In 2020, the then treasurer was unable to maintain a bank account, as the Bank would no longer deal with an unincorporated association. I think this is now true regardless of the bank. So he made the unilateral decision, relying on his duty to maintain a bank account, to incorporate the Club. This decision was made without any recorded discussion or decision of the Executive, or the membership, and without any thorough investigation as to the legal consequences thereof, except that it would permit the maintenance of the bank account, as required by the C&BL, and it would cost \$61.50 a year to do so.

However, when a corporation is formed, it become equivalent in law to a person. As of that date it may do almost all on the legal things a person of age can do - enter into contracts, sue and be sued, etc. Some things it cannot do - like make a will. However, unlike people, its creation, composition and some very basic rules about its operations are prescribed by law in Florida in the *Florida Not For Profit Corporations Act* (the Act).

The date of incorporation, which for the On Top Of The World Canadian Club Inc. (the Corporation), is February 20, 2020, is like its date of birth. It starts life afresh on that date with a blank slate. Its basic nature, rules about its composition, Board of Directors, even rules about how the corporation operates and who may become shareholder (members, in our case) may be set out in the Article of Incorporation. The Articles of incorporation are the Corporation's "constitution". So effective February 20, 2020, the C&BL were legally revoked. By law the Corporation may make bylaws.

But it has not.

**So our Constitution is the Articles of Incorporation, and we have no bylaws.**

**What should be in the bylaws and who makes them?**

Unlike a social club, the operations of the Corporation are now are subject to the provisions of the Act. Many of the provisions of the revoked C&BL do not comply with, or reflect the requirements of that Act. As with most corporations that one might be familiar with, the general scheme of the Act is to have a corporation defined in its Articles of Incorporation which are filed with the Florida Department of State. By law, the Board of Directors is seized with the management of the OTOW Canadian Club Inc. (the corporation), including making any Bylaws it sees fit to make or amend to assist with that. But there are also many legal prescriptions<sup>1</sup> that govern such a corporation that cannot be overridden by the Bylaws the Corporation makes.

The bylaws I am crafting will have many of the things that we had in the old C&BL - like creating a Board of Directors and setting duties and defining who the shareholders (members) are and their rights, like the right to vote for the members of the Board. However, unlike the old C&BL, the Board makes the bylaws and runs the business of the corporation.

This is similar to owning a voting share in a for profit corporation - you get a vote for each share you own at a voting shareholders' meeting. So now, members of our Corporation no longer would have the right to approve any policies or procedures promulgated by the Corporation as bylaws. The day to day management of the Corporation will be managed by the Board of Directors, including the making of policies and procedures in its Bylaws, which the Board would make and amend as required. Interestingly, that appears to be more or less how the Club has been managed since 2015.

I was working on a set of proposed Bylaws to reflect this basic change and one other crucial thing. They will bring the operation of the Corporation within the provisions of the FNFPCA, as best as I can manage, having reviewed its 78 pages. I had stopped my review a couple of weeks ago, because I realized that I needed to see exactly what our Articles of Incorporation said. I ordered a copy of them and received it yesterday, attached.

The Articles of Incorporation say very little.

They say the purpose of the corporation is a: "social club for Canadian Americans" No mention of them being residents of OTOW. And while I am Canadian, I am not American - can I be a member? They also say that the members of the Board of Directors (the Board) will be elected in accordance with the bylaws, and we have none. Some could argue we do not have a valid Board.

Regardless, I propose we assume that we were validly elected and proceed to make bylaws. The draft I am working on, with your input, could be those bylaws. They are not complete, as I have not finished my review of the Act.

They will provide that Board will be empowered to run the corporation, in accordance with the Act. The membership elects the members of the Board, but cannot approve its bylaws, which will be made by the Board. If members become dissatisfied with the Corporation's management, they may remove Board members or elect different ones as set out in the draft bylaws. Sort of like how the OTOW Association is run. Those basic rights are required by law and may not be amended by the Board.

When I have complete my review I will circulate it for comment.

[1] Amongst many others, examples are, certain shareholder rights and the requirement to maintain a membership book, financial records, minutes of all Board and membership meetings, and all communications with members, for at least three years.