MNRSC MINUTES: July 9, 2022

Location: https://Zoom.us/j/6256427131

www.naminnesota.org

12:00 PM **Open, Introductions, Readings, Welcome**

Attendance: RCM AOH, RCM OD, RCM Voyagers, Tim RCMA NLA

Members from AOH, B2B, CMA, NLA, OD, TCA, Voyagers 17 addicts in attendance

FST Members: Amanda L, Ashley, Caitlin M, Chris J, Chrissy E, Melissa C, Patty K, Robin E, Tasha P

Note: Region Area abbreviations: AOH Area of Hope, B2B Back to Basics, CM Central MN, NDA New Directions Area, NLA Northern Lights Area, ODA Open Door Area, RITH Recovery In The Heartland, SWM Southwest MN, TCA Twin Cities Area, VA Voyagers Area, WAHA Wee Are Here Area

Open Forum

- Area Successes, Challenges
    - When are minutes available? A. 2 weeks after the meeting. Members offered to share minutes for Area RCM with ASC next week
- NAWS put region members in contact with a woman in Beaudette, MN starting a meeting. Can we help with start-up materials
    - Members supported helping this new group in the Voyagers Area
    - Proposed today, Motion 524: Region to provide $75 worth of NA literature and meeting supplies, based on materials included in the starter kit provided by NLA, to be ordered directly from NAWS and shipped to the addict in Beaudette who requested it.
- Discussion regarding Areas whom have discussed establishing themselves as a 501c3 given related information provided at the last Region meeting in May?
    - NLA and TCA – Motion was proposed at these ASCs
    - AOH has discussed and presently declined- current trusted servants are already serving past their
    - OD is considering the abundance of new fiscal information provided at the last region meeting
    - Members note that this motion is made to reflect an organization's legal responsibility if their annual revenue exceeds $5,000.00, in addition to providing individual trusted servants with protection from IRS income tax liability, and other legal liability
- Last MNRSC Motion 519, was approved for Region Treasurer to meet with attorney regarding the UMSO, report follows. To date, attorney is working on securing signatures from former UMSO BOD members; however, documents are not signed yet and dissolution is not complete.

1 **MEMORANDUM**

Date: July 9, 2022

To: MNRSC

From: Robin E and Dan H

Subject: Report on legal consultations regarding UMSO dissolution and sales tax requirements within our service structure

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Dan and I met May 24, 2022 on Zoom with Jennifer Urban, Attorney with Legal for Good, a Nonprofit legal specialist. After explaining the current status of the UMSO and the fact that the BOD resigned in 2020 with a recommendation to close operations, Jenn explained, that the MNRSC has no authority to "run" the UMSO. The only option at this point is to dissolve the UMSO and transfer the assets to the MNRSC. Her notes from our meeting are as follows:

UMSO is defunct and needs to dissolve/transfer assets to MNRSC, Inc.

- Because of interrelationship of MNRSC, Inc./UMSO/MNNAC, Inc., I'll need to do a COI waiver for all entities to sign
- L4G will need to draft a Board Resolution for UMSO so it's Board of Directors vote to dissolve, transfer assets to MNRSC, Inc., authorize L4G to perform all dissolution steps, and ratify past acts since last annual meeting.
- L4G will then dissolve UMSO
- L4G will need to prepare motion language for MNRSC, Inc. to accept assets from UMSO
- Approximately $2,000 for all

She recommended we seek the opinion of a CPA regarding sales tax.

I was able to consult with Esterbrooks, the CPA firm we have engaged to file our 501(c)(3) tax returns, I also reached out to the accountant for the Oklahoma Region to discuss their structure, I wrote to the WSO for their input and I spoke to the MN Sales and Use Tax Department.

Based on this combined information we have concluded the following:

- The following information applies when Areas and Groups are purchasing items directly from NAWS. NAWS does not charge sales tax on any purchases shipped outside of California.
- If an Area purchases from a supplier and pays sales tax on those purchases the Area does not need to again charge sales tax to its members unless the Area is adding a mark-up. The sales tax would then be calculated on the additional mark-up and reported to the State.
- This information applies no matter the value of the purchases. There are no minimum thresholds that apply to a nonprofit organization or a business.
- Clothing is exempt from Minnesota Sales and Use Tax. Clothing means all human wearing apparel suitable for general use. Examples include: caps, hats, sweatshirts, t-shirts, jerseys, bandanas. For a detailed list of all clothing definitions see MN Sales Tax Fact Sheet 105. https://www.revenue.state.mn.us/sites/default/files/2021-02/FS105.pdf

- Treasurer report on sales tax responsibilities for Areas purchasing literature from NAWS

2 MEMORANDUM

Areas Purchasing from NAWS

- Sales Tax
  - An Area is expected to collect (charge) and remit Sales Tax on literature and other merchandise (e.g., medallions, key tags, coffee mugs) when the items are sold to groups or individuals whether or not the Area charges an additional mark-up.
- Use Tax
  - An Area is liable for use tax if the Area purchases items from NAWS that are then used by the Area or given away at no charge. (Unless the Area has received a sales tax exemption status from the State).
  - Examples:
    - 12 Concepts Booklets distributed to Area Committee members
    - Pamphlets given away at a PR event
    - Books donated to a library
    - Literature given to jails and institutions
    - Startup kits given to new groups

Groups

- Groups that purchase items from an Area and have paid sales tax on those purchases, and resells those items to its members, do not need to charge sales tax. Groups are simply acting more or less as distribution points for members to gain literature.

Individuals

- Minnesota Use Tax applies when you buy, lease, or rent taxable items or services and the seller does not charge Minnesota Sales Tax.
- Individuals may buy up to $770 worth of taxable goods during the calendar year without paying use tax.
- If you buy more than $770 of taxable items in a calendar year, all of your purchases are taxable.
- If the items you're buying are for use in a business (or a nonprofit), the $770 exemption does not apply

- Motion 523: To Make available all assets from the UMSOs dissolution to initiate a new 501c3, the Narcotics Anonymous Minnesota Service Office (NAMSO). Revised Motion attached.

  - Members raised areas of concerns, including how the proposed office would serve the Region? What is the business plan? Financial needs? Bi-laws?

  - Motion Maker, Shay D, TCA RCM was not able to attend; motion was not supported by another RCM. Motion is tabled.

- MNNAC Update. Area BIDS TO HOST MNNAC 31 is open

  - MNNAC 30 profits exceeded $40,000.
  - MNNAC is putting out a notice that a bid to host MNNAC 32 can come from a team of members, bids do not necessarily have to come from an Area

- 1 Fellowship Services Team (FST) position open to join Regional project teams

TREASURER Report - attached

Digital Projects Team Report attached

- **Areas, please note: it does take** 2 weeks to reconcile event accounts at a minimum. If an area event sets up their own square account, they will not have to wait to receive revenue. **See digital project team's report.**

Regional Delegate Report -attached

Additional Regional Project Reports: Bridging the Gap, Helpline, Public Relations, Newsletter,

SBTW, Fundraising

- No additional reports presented today

Executive Committee Q&A: Chair, Treasurer – reports attached

Old and New Business

- Motion 522: To approve MNRSC Minutes from May 2022
- Motion 523: To make available material assets and liquid assets from the UMSO's dissolution to initiate a new 501c3, the NA Minnesota Service Office (NAMSO). NAMSO would be established and maintained by a BOD of interested members. The spirit of the establishment of a separate 501c3 is to relieve NA Minnesota's service structure from the burden of a commitment to human and material resources. NAMSOs guidelines will specify fiscal accountability and transparency through the presentation of annual, and by request, financial and operations reports to the Minnesota Region and publication of an annual financial audit.
- Motion 524: Region to provide $75 worth of NA literature and meeting supplies, based on materials included in the starter kit provided by NLA, to be ordered directly from NAWS and shipped to the addict in Beaudette who requested it.

Close

Motions:

Motion 522: To approve MNRSC Minutes from May 2022
Intent: Approve the minutes

Financial Impact: None
Maker: Melissa C, RCM Voyagers
Second:
Result: **Passed**

Motion 523:

Date: **July 9, 2022**

Motion 523 : To make available material assets and liquid assets from the UMSO's dissolution to initiate a new 501c3, the NA Minnesota Service Office (NAMSO). NAMSO would be established and maintained by a BOD of interested members. The spirit of the establishment of a separate 501c3 is to relieve NA Minnesota's service structure from the burden of a commitment to human and material resources. NAMSOs guidelines will specify fiscal accountability and transparency through the presentation of annual, and by request, financial and operations reports to the Minnesota Region and publication of an annual financial audit.

Intent: To support Minnesota NA groups by providing a local resource to purchase NA meeting supplies in compliance with state tax laws, subsequent to the dissolution of the UMSO. NAMSO will allow all MN Areas and groups a vehicle by which they could comply with MN state sales tax laws. NAMSO orders would apply sales tax on literature, Areas and groups would redistribute supplies to groups and members at cost with tax included. NAMSO would track, file and pay quarterly MN state sales tax. To achieve a sustainable volunteer force by holding open meetings, elections, and opportunities for former volunteers to mentor new members into service.

Financial Impact: Assets remaining from the UMSO's dissolution

Maker: Shay D, TCA RCM

Name, position (Maker or Seconder must be an RCM)

Second:

Name, position (Maker or Seconder must be an RCM)

Outcome: tabled

Motion 524: Region to provide $75 worth of NA literature and meeting supplies, based on materials included in the starter kit provided by NLA, to be ordered directly from NAWS and shipped to the addict in Beaudette who requested materials to start a new NA Group.

Intent: To support a new NA group in Beaudette, MN, an isolated area of the State.

Financial Impact: $75
Maker: Melissa C, RCM Voyagers
Second: Patty K
Result: **Tabled**

MNRSC FELLOWSHIP SERVICES TEAM MEMBERS

TERM: 2 Years; 3 Years Clean

1. Demonstrates integrity and leadership (as discussed in our Fourth Concept) with the ability to organize, direct and motivate. Honors discretion—the ability to fulfill their responsibilities with the Region's confidence that confidential information will be protected. Enhances her/his own knowledge of the Twelve Steps, Twelve Traditions, Twelve Concepts, as well as the spiritual principles found within.
2. Possesses Regional Experience.
3. Ability to read and write English.
4. A working computer and/or internet access are strongly preferred in order to communicate effectively with MNRSC participants the Fellowship Services Team.
5. Participates in all MNRSC Conferences.
6. Participates in all MNRSC Fellowship Services Team Meetings.
7. Participates in all MNRSC Executive Committee Meetings, if applicable.
8. Performs other duties as agreed to perform.

Vice Chair Report May 2022

Hello Family!

I am excited to be the new Vice Chair of MNRSC! Members have been working overtime behind the scenes to update many items.

The current insurance certificate is available for download on the website under forms in the service community. If you need a specific named insured, please reach out to me and I will get it for you. Please request your certificates as early as possible to review with your venue if needed for any additional information.

I have been working with our newly elected treasurer to get all of our accounts in order. Thanks Robin for your many hours put in to make sure we are in compliance with the ever changing laws regarding our non profit.

The executive committee will be doing a guideline review in the coming months.

I have been reviewing our guidelines and motion log for discrepancies and will be submitting motions for housekeeping items.

I have reviewed a recent survey of members identifying some concerns and would like to put together an ad-hoc to discuss some solutions. I would like to discuss having MNRSC a traveling meeting to different areas and including some fellowship events and opportunities to unify the members and service bodies.
Another identified concern was that some members have too much on their plate. I would like to increase our FST team to 16 members to more efficiently get work done on projects and manage our non profit needs. A motion has been submitted.
Concept 11
"Money is only one of the resources we must responsibly prioritize. While the Eleventh Concept applies directly to the management of funds, it also has implications for the management of all our service resources. Most projects depend as much on ideas, information, conscience, and members' time and willingness as they do on money. If we have the funds needed to carry out a project but lack the time or the ideas, we'd best wait until we've gathered all the needed resources before proceeding. If we don't, we will have wasted NA service funds. In responsibly planning and prioritizing our service efforts, we must consider the total resource picture, not just our finances."

Thanks for letting me serve!
Amanda

As of 07/08/2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	YTD Total	Budget	Over/Under
Income															
Area Donations															
Area of Hope	$ 250.00	$ -	$ -	$ -	$ -	$ -	$ 1,991.84	$ -	$ -	$ -	$ -	$ -	**$ 2,241.84**		
Back to Basics	$ 1,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,000.00**		
Central Minnesota	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
New Directions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Northern Lights	$ -	$ -	$ -	$ 3,017.94	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,017.94**		
Open Door	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Recovery in the Heartland	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
South Suburban Fireside	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Southwest Minnesota	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Twin Cities	$ -	$ -	$ -	$ -	$ (12.00)	$ 870.08	$ -	$ -	$ -	$ -	$ -	$ -	**$ 858.08**		
Vision of Hope	$ 1,082.03	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,082.03**		
Voyageurs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Wee Are Here	$ -	$ -	$ -	$ -	$ -	$ 500.00	$ -	$ -	$ -	$ -	$ -	$ -	**$ 500.00**		
Subtotal Area Donations	$ 2,332.03	$ -	$ -	$ 3,017.94	$ (12.00)	$ 1,370.08	$ 1,991.84	$ -	$ -	$ -	$ -	$ -	**$ 8,699.89**	$ 8,125.00	$ 574.89
MNNAC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 9,000.00	$ (9,000.00)
Regional Fundraising	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -
Other Donations	$ -	$ -	$ 575.00	$ -	$ 355.00	$ -	$ 129.44	$ -	$ -	$ -	$ -	$ -	**$ 1,059.44**	$ -	$ 1,059.44
Interest income	$ 0.04	$ 0.03	$ 0.04	$ 0.03	$ 0.04	$ 0.03	$ -	$ -	$ -	$ -	$ -	$ -	**$ 0.21**	$ -	$ 0.21
Total Income	**$ 2,332.07**	**$ 0.03**	**$ 575.04**	**$ 3,017.97**	**$ 343.04**	**$ 1,370.11**	**$ 2,121.28**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 9,759.54**	**$ 17,125.00**	**$ (7,365.46)**
Expenses															
Administration	$ -	$ 9.97	$ -	$ -	$ -	$ -	$ 450.00	$ -	$ -	$ -	$ -	$ -	**$ 459.97**	$ 1,000.00	$ 540.03
Annual Assembly	$ 567.00	$ 268.13	$ 100.00	$ 172.84	$ -	$ 250.00	$ (89.03)	$ -	$ -	$ -	$ -	$ -	**$ 1,268.94**	$ 3,000.00	$ 1,731.06
Helpline	$ 108.85	$ 109.31	$ 109.31	$ 108.78	$ 108.78	$ 108.49	$ -	$ -	$ -	$ -	$ -	$ -	**$ 653.52**	$ 1,420.00	$ 766.48
Insurance	$ -	$ 3,101.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,101.00**	$ 2,950.00	$ (151.00)
MARRCH Event Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,600.00	$ 1,600.00
MNSSA Event Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,400.00	$ 1,400.00
NAWS Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		$ -
Newsletter	$ 62.99	$ 69.99	$ 69.99	$ 69.99	$ 69.99	$ 69.99	$ -	$ -	$ -	$ -	$ -	$ -	**$ 412.94**	$ 760.00	$ 347.06
Ongoing Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,500.00	$ 1,500.00
Pride Event Table	$ -	$ -	$ -	$ -	$ 360.50	$ 20.38	$ -	$ -	$ -	$ -	$ -	$ -	**$ 380.88**	$ 300.00	$ (80.88)
Public Relations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 560.00	$ 560.00
Regional Delegate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
RSC Meeting Exp	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ -	$ -	$ -	$ -	$ -	$ -	**$ 96.54**	$ 495.00	$ 398.46
Service Symposiums	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -
Transition Fairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,000.00	$ 1,000.00
Walk for Recovery Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 140.00	$ 140.00
Website	$ 90.00	$ -	$ 75.98	$ -	$ (90.00)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 75.98**	$ 1,000.00	$ 924.02
Misc	$ (11.82)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (11.82)**		$ 11.82
Total Expenses	**$ 833.11**	**$ 3,574.49**	**$ 371.37**	**$ 367.70**	**$ 465.36**	**$ 464.95**	**$ 360.97**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,437.95**	**$ 17,125.00**	**$ 10,687.05**
Income less Expenses	**$ 1,498.96**	**$ (3,574.46)**	**$ 203.67**	**$ 2,650.27**	**$ (122.32)**	**$ 905.16**	**$ 1,760.31**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,321.59**	**$ -**	
Activities income	$ -	$ 959.55	$ -	$ 554.71	$ -	$ 3,059.00	$ 392.23	$ -	$ -	$ -	$ -	$ -	**$ 4,965.49**		
Activities returned	$ (1,333.80)	$ (1,603.70)	$ -	$ -	$ -	$ (3,059.00)	$ (411.52)	$ -	$ -	$ -	$ -	$ -	**$ (6,408.02)**		
Total Activities	**$ (1,333.80)**	**$ (644.15)**	**$ -**	**$ 554.71**	**$ -**	**$ -**	**$ (19.29)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,442.53)**		

Cash on Hand	**Regular Checking 6902**	**Activities Checking 6910**	**Reserves Savings 8984**	**Total Cash on Hand**
Beginning Balance Jan 1	$ 5,831.35	$ 2,795.20	$ 4,168.30	$ 12,794.85
YTD Transactions	3,321.38	(1,442.53)	0.21	$ 1,879.06
Total Cash on Hand	$ 9,152.73	$ 1,352.67	$ 4,168.51	$ 14,673.91

WELLS FARGO

BUSINESS CHECKING
Account
...6902
Routing Numbers

$9,152.73
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$7,492.73
Current posted balance	$9,602.73
Pending withdrawals/debits	-$450.00
Pending deposits/credits	$0.00
Available balance	**$9,152.73**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
Authorized Transactions	*Note: Debit card transaction amounts may change.*		
07/08/22	BILL PAY Easterbrooks CPAs		$375.00
07/08/22	BILL PAY Univ Lutheran Church of Hope		$75.00
osted Transactions			
07/07/22	ATM CHECK DEPOSIT ON 07/07 1551 Woodlane Dr Woodbury MN 0001730 ATM ID 5837G CARD 6437 View Details	$2,210.31	
06/27/22	PURCHASE AUTHORIZED ON 06/25 THE HOME DEPOT #2810 WOODBURY MN P000000976730260 CARD 6437		$20.38
06/22/22	PHONE.COM, INC. ACH 220621 800-998-7087 NARCOTICS ANONYMOUS		$108.49
06/14/22	MOBILE DEPOSIT : REF NUMBER :210140447290 View Details	$500.00	
06/13/22	PAYPAL INST XFER 220613 MAILCHIMP MINNESOTA REGIONAL SER		$69.99
06/13/22	RECURRING PAYMENT AUTHORIZED ON 06/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S582161653021277 CARD 6437		$16.09
06/13/22	ATM CHECK DEPOSIT ON 06/10 925 Grand Ave Saint Paul MN 0001861 ATM ID 5840V CARD 6437 View Details	$870.08	
06/06/22	BILL PAY Univer Lutheran Church of Hope ON-LINE No Account Number ON 06-06		$250.00
05/31/22	RECURRING PAYMENT REVERSAL ON 05/27 WPMU DEV INCSUBFEE INCSUB.COM AL S462147471491033 CARD 3866	$90.00	
05/23/22	RECURRING PAYMENT AUTHORIZED ON 05/20 PHONE.COM 12558545 WWW.PHONE.COM CA S462140522312789 CARD 3866		$108.78
05/12/22	RECURRING PAYMENT AUTHORIZED ON 05/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S462131217200691 CARD 6437		$16.09
05/10/22	RECURRING PAYMENT AUTHORIZED ON 05/09 MAILCHIMP *MISC MAILCHIMP.COM GA S382129308548077 CARD 3866		$69.99
05/03/22	PURCHASE AUTHORIZED ON 05/01 WPY*Twin Cities Pr 855-469-3729 MN S382122145545897 CARD 6437		$360.50
05/03/22	DEPOSITED ITEM RETN UNPAID - PAPER 220503 View Details		$858.00
05/03/22	CASHED/DEPOSITED ITEM RETN UNPAID FEE		$12.00
05/02/22	ATM CHECK DEPOSIT ON 05/01 1551 Woodlane Dr Woodbury MN 0007398 ATM ID 5837G CARD 6437 View Details	$355.00	
05/02/22	ATM CHECK DEPOSIT ON 05/01 1551 Woodlane Dr Woodbury MN 0007397 ATM ID 5837G CARD 6437 View Details	$858.00	
04/25/22	ATM CHECK DEPOSIT ON 04/25 1551 Woodlane Dr Woodbury MN 0006970 ATM ID 5837G CARD 6437 View Details	$3,017.94	
04/21/22	RECURRING PAYMENT AUTHORIZED ON 04/20 PHONE.COM 12484644 WWW.PHONE.COM CA S582110511352662 CARD 3866		$108.78
04/11/22	RECURRING PAYMENT AUTHORIZED ON 04/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S582100652155716 CARD 6437		$16.09
04/11/22	DEPOSITED OR CASHED CHECK # 5001		$172.84
04/11/22	RECURRING PAYMENT AUTHORIZED ON 04/09 MAILCHIMP *MISC MAILCHIMP.COM GA S302099300382745 CARD 3866		$69.99
Totals		$7,901.33	$2,708.01

Back to top

First
Previous

Next

*Account Disclosures

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

WELLS FARGO

BUSINESS CHECKING
Account
...6910
Routing Numbers

$1,352.67
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$1,764.19
Current posted balance	$1,764.19
Pending withdrawals/debits	-$411.52
Pending deposits/credits	$0.00
Available balance	**$1,352.67**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
Authorized Transactions	*Note: Debit card transaction amounts may change.*		
07/08/22	BILL PAY WEHA		$392.23
07/08/22	BILL PAY Twin Cities Area NA		$19.29
osted Transactions			
07/06/22	PAYPAL TRANSFER 220706 1021081794089 NA MINNESOTA EVENTS	$392.23	
06/30/22	BILL PAY SMARB ON-LINE xxxxx xxxxxx xxxxxTRAT ON 06-30		$3,059.00
06/28/22	PAYPAL TRANSFER 220628 1020922499215 NA MINNESOTA EVENTS	$3,059.00	
04/26/22	DEPOSIT MADE IN A BRANCH/STORE #168673184 View Details	$535.42	
Totals		$3,986.65	$3,470.52

Back to top

First
Previous
Next

*Account Disclosures

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

WELLS FARGO

BUSINESS MARKET RATE SAVINGS
Account
...8924
Routing Numbers

$4,168.51
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$4,168.51
Current posted balance	$4,168.51
Pending withdrawals/debits	$0.00
Pending deposits/credits	$0.00
Available balance	**$4,168.51**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
No pending transactions to view.			
osted Transactions			
06/30/22	INTEREST PAYMENT	$0.03	
05/31/22	INTEREST PAYMENT	$0.04	
04/29/22	INTEREST PAYMENT	$0.03	
Totals		$0.10	$0.00

Back to top

First
Previous
Next

*Account Disclosures

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

As of 07/08/2022	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	YTD Total	Budget	Over/Under
Income															
Area Donations															
Area of Hope	$ 250.00	$ -	$ -	$ -	$ -	$ -	$ 1,991.84	$ -	$ -	$ -	$ -	$ -	**$ 2,241.84**		
Back to Basics	$ 1,000.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,000.00**		
Central Minnesota	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
New Directions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Northern Lights	$ -	$ -	$ -	$ 3,017.94	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,017.94**		
Open Door	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Recovery in the Heartland	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
South Suburban Fireside	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Southwest Minnesota	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Twin Cities	$ -	$ -	$ -	$ -	$ (12.00)	$ 870.08	$ -	$ -	$ -	$ -	$ -	$ -	**$ 858.08**		
Vision of Hope	$ 1,082.03	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,082.03**		
Voyageurs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
Wee Are Here	$ -	$ -	$ -	$ -	$ -	$ 500.00	$ -	$ -	$ -	$ -	$ -	$ -	**$ 500.00**		
Subtotal Area Donations	$ 2,332.03	$ -	$ -	$ 3,017.94	$ (12.00)	$ 1,370.08	$ 1,991.84	$ -	$ -	$ -	$ -	$ -	**$ 8,699.89**	$ 8,125.00	$ 574.89
MNNAC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 9,000.00	$ (9,000.00)
Regional Fundraising	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -
Other Donations	$ -	$ -	$ 575.00	$ -	$ 355.00	$ -	$ 129.44	$ -	$ -	$ -	$ -	$ -	**$ 1,059.44**	$ -	$ 1,059.44
Interest income	$ 0.04	$ 0.03	$ 0.04	$ 0.03	$ 0.04	$ 0.03	$ -	$ -	$ -	$ -	$ -	$ -	**$ 0.21**	$ -	$ 0.21
Total Income	**$ 2,332.07**	**$ 0.03**	**$ 575.04**	**$ 3,017.97**	**$ 343.04**	**$ 1,370.11**	**$ 2,121.28**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 9,759.54**	**$ 17,125.00**	**$ (7,365.46)**
Expenses															
Administration	$ -	$ 9.97	$ -	$ -	$ -	$ -	$ 450.00	$ -	$ -	$ -	$ -	$ -	**$ 459.97**	$ 1,000.00	$ 540.03
Annual Assembly	$ 567.00	$ 268.13	$ 100.00	$ 172.84	$ -	$ 250.00	$ (89.03)	$ -	$ -	$ -	$ -	$ -	**$ 1,268.94**	$ 3,000.00	$ 1,731.06
Helpline	$ 108.85	$ 109.31	$ 109.31	$ 108.78	$ 108.78	$ 108.49	$ -	$ -	$ -	$ -	$ -	$ -	**$ 653.52**	$ 1,420.00	$ 766.48
Insurance	$ -	$ 3,101.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,101.00**	$ 2,950.00	$ (151.00)
MARRCH Event Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,600.00	$ 1,600.00
MNSSA Event Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,400.00	$ 1,400.00
NAWS Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		$ -
Newsletter	$ 62.99	$ 69.99	$ 69.99	$ 69.99	$ 69.99	$ 69.99	$ -	$ -	$ -	$ -	$ -	$ -	**$ 412.94**	$ 760.00	$ 347.06
Ongoing Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,500.00	$ 1,500.00
Pride Event Table	$ -	$ -	$ -	$ -	$ 360.50	$ 20.38	$ -	$ -	$ -	$ -	$ -	$ -	**$ 380.88**	$ 300.00	$ (80.88)
Public Relations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 560.00	$ 560.00
Regional Delegate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**		
RSC Meeting Exp	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ 16.09	$ -	$ -	$ -	$ -	$ -	$ -	**$ 96.54**	$ 495.00	$ 398.46
Service Symposiums	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -
Transition Fairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 1,000.00	$ 1,000.00
Walk for Recovery Table	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	$ 140.00	$ 140.00
Website	$ 90.00	$ -	$ 75.98	$ -	$ (90.00)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 75.98**	$ 1,000.00	$ 924.02
Misc	$ (11.82)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (11.82)**		$ 11.82
Total Expenses	**$ 833.11**	**$ 3,574.49**	**$ 371.37**	**$ 367.70**	**$ 465.36**	**$ 464.95**	**$ 360.97**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,437.95**	**$ 17,125.00**	**$ 10,687.05**
Income less Expenses	**$ 1,498.96**	**$ (3,574.46)**	**$ 203.67**	**$ 2,650.27**	**$ (122.32)**	**$ 905.16**	**$ 1,760.31**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,321.59**	$ -	
Activities income	$ -	$ 959.55	$ -	$ 554.71	$ -	$ 3,059.00	$ 392.23	$ -	$ -	$ -	$ -	$ -	**$ 4,965.49**		
Activities returned	$ (1,333.80)	$ (1,603.70)	$ -	$ -	$ -	$ (3,059.00)	$ (411.52)	$ -	$ -	$ -	$ -	$ -	**$ (6,408.02)**		
Total Activities	**$ (1,333.80)**	**$ (644.15)**	**$ -**	**$ 554.71**	**$ -**	**$ -**	**$ (19.29)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,442.53)**		

Cash on Hand	**Regular Checking 6902**	**Activities Checking 6910**	**Reserves Savings 8984**	**Total Cash on Hand**
Beginning Balance Jan 1	$ 5,831.35	$ 2,795.20	$ 4,168.30	$ 12,794.85
YTD Transactions	3,321.38	(1,442.53)	0.21	$ 1,879.06
Total Cash on Hand	$ 9,152.73	$ 1,352.67	$ 4,168.51	$ 14,673.91

WELLS FARGO

BUSINESS CHECKING
Account
6902
Routing Numbers

$9,152.73
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$7,492.73
Current posted balance	$9,602.73
Pending withdrawals/debits	-$450.00
Pending deposits/credits	$0.00
Available balance	**$9,152.73**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
Authorized Transactions	*Note: Debit card transaction amounts may change.*		
07/08/22	BILL PAY Easterbrooks CPAs		$375.00
07/08/22	BILL PAY Univ Lutheran Church of Hope		$75.00
osted Transactions			
07/07/22	ATM CHECK DEPOSIT ON 07/07 1551 Woodlane Dr Woodbury MN 0001730 ATM ID 5837G CARD 6437 View Details	$2,210.31	
06/27/22	PURCHASE AUTHORIZED ON 06/25 THE HOME DEPOT #2810 WOODBURY MN P000000976730260 CARD 6437		$20.38
06/22/22	PHONE.COM, INC. ACH 220621 800-998-7087 NARCOTICS ANONYMOUS		$108.49
06/14/22	MOBILE DEPOSIT : REF NUMBER :210140447290 View Details	$500.00	
06/13/22	PAYPAL INST XFER 220613 MAILCHIMP MINNESOTA REGIONAL SER		$69.99
06/13/22	RECURRING PAYMENT AUTHORIZED ON 06/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S582161653021277 CARD 6437		$16.09
06/13/22	ATM CHECK DEPOSIT ON 06/10 925 Grand Ave Saint Paul MN 0001861 ATM ID 5840V CARD 6437 View Details	$870.08	
06/06/22	BILL PAY Univer Lutheran Church of Hope ON-LINE No Account Number ON 06-06		$250.00
05/31/22	RECURRING PAYMENT REVERSAL ON 05/27 WPMU DEV INCSUBFEE INCSUB.COM AL S462147471491033 CARD 3866	$90.00	
05/23/22	RECURRING PAYMENT AUTHORIZED ON 05/20 PHONE.COM 12558545 WWW.PHONE.COM CA S462140522312789 CARD 3866		$108.78
05/12/22	RECURRING PAYMENT AUTHORIZED ON 05/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S462131217200691 CARD 6437		$16.09
05/10/22	RECURRING PAYMENT AUTHORIZED ON 05/09 MAILCHIMP *MISC MAILCHIMP.COM GA S382129308548077 CARD 3866		$69.99
05/03/22	PURCHASE AUTHORIZED ON 05/01 WPY*Twin Cities Pr 855-469-3729 MN S382122145545897 CARD 6437		$360.50
05/03/22	DEPOSITED ITEM RETN UNPAID - PAPER 220503 View Details		$858.00
05/03/22	CASHED/DEPOSITED ITEM RETN UNPAID FEE		$12.00
05/02/22	ATM CHECK DEPOSIT ON 05/01 1551 Woodlane Dr Woodbury MN 0007398 ATM ID 5837G CARD 6437 View Details	$355.00	
05/02/22	ATM CHECK DEPOSIT ON 05/01 1551 Woodlane Dr Woodbury MN 0007397 ATM ID 5837G CARD 6437 View Details	$858.00	
04/25/22	ATM CHECK DEPOSIT ON 04/25 1551 Woodlane Dr Woodbury MN 0006970 ATM ID 5837G CARD 6437 View Details	$3,017.94	
04/21/22	RECURRING PAYMENT AUTHORIZED ON 04/20 PHONE.COM 12484644 WWW.PHONE.COM CA S582110511352662 CARD 3866		$108.78
04/11/22	RECURRING PAYMENT AUTHORIZED ON 04/10 ZOOM.US 888-799-96 WWW.ZOOM.US CA S582100652155716 CARD 6437		$16.09
04/11/22	DEPOSITED OR CASHED CHECK # 5001		$172.84
04/11/22	RECURRING PAYMENT AUTHORIZED ON 04/09 MAILCHIMP *MISC MAILCHIMP.COM GA S302099300382745 CARD 3866		$69.99
Totals		$7,901.33	$2,708.01

Back to top

First
Previous

Next

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Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

WELLS FARGO

BUSINESS CHECKING
Account
...6910
Routing Numbers

$1,352.67
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$1,764.19
Current posted balance	$1,764.19
Pending withdrawals/debits	-$411.52
Pending deposits/credits	$0.00
Available balance	**$1,352.67**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
Authorized Transactions	*Note: Debit card transaction amounts may change.*		
07/08/22	BILL PAY WEHA		$392.23
07/08/22	BILL PAY Twin Cities Area NA		$19.29
osted Transactions			
07/06/22	PAYPAL TRANSFER 220706 1021081794089 NA MINNESOTA EVENTS	$392.23	
06/30/22	BILL PAY SMARB ON-LINE xxxxx xxxxxx xxxxxTRAT ON 06-30		$3,059.00
06/28/22	PAYPAL TRANSFER 220628 1020922499215 NA MINNESOTA EVENTS	$3,059.00	
04/26/22	DEPOSIT MADE IN A BRANCH/STORE #168673184 View Details	$535.42	
Totals		$3,986.65	$3,470.52

Back to top

First
Previous
Next

*Account Disclosures

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

WELLS FARGO

BUSINESS MARKET RATE SAVINGS
Account ...8924
Routing Numbers

$4,168.51
Available balance

Activity Summary

Ending collected balance as of 07/08/22	$4,168.51
Current posted balance	$4,168.51
Pending withdrawals/debits	$0.00
Pending deposits/credits	$0.00
Available balance	**$4,168.51**
Monthly Service Fee Summary	
Routing numbers	

Activity

First
Previous
Next

Date	Description	Deposits/Credits	Withdrawals/Debits
ending Transactions			
No pending transactions to view.			
osted Transactions			
06/30/22	INTEREST PAYMENT	$0.03	
05/31/22	INTEREST PAYMENT	$0.04	
04/29/22	INTEREST PAYMENT	$0.03	
Totals		$0.10	$0.00

Back to top

First
Previous
Next

*Account Disclosures

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Equal Housing Lender

MEMORANDUM

Date: July 9, 2022

To: MNRSC

From: Robin E and Dan H

Subject: Report on legal consultations regarding UMSO dissolution and sales tax requirements within our service structure

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Dan and I met May 24, 2022 on Zoom with Jennifer Urban, Attorney with Legal for Good, a Nonprofit legal specialist. After explaining the current status of the UMSO and the fact that the BOD resigned in 2020 with a recommendation to close operations, Jenn explained, that the MNRSC has no authority to "run" the UMSO. The only option at this point is to dissolve the UMSO and transfer the assets to the MNRSC. Her notes from our meeting are as follows:

UMSO is defunct and needs to dissolve/transfer assets to MNRSC, Inc.

- Because of interrelationship of MNRSC, Inc./UMSO/MNNAC, Inc., I'll need to do a COI waiver for all entities to sign
- L4G will need to draft a Board Resolution for UMSO so it's Board of Directors vote to dissolve, transfer assets to MNRSC, Inc., authorize L4G to perform all dissolution steps, and ratify past acts since last annual meeting.
- L4G will then dissolve UMSO
- L4G will need to prepare motion language for MNRSC, Inc. to accept assets from UMSO
- Approximately $2,000 for all

She recommended we seek the opinion of a CPA regarding sales tax.

I was able to consult with Esterbrooks, the CPA firm we have engaged to file our 501(c)(3) tax returns, I also reached out to the accountant for the Oklahoma Region to discuss their structure, I wrote to the WSO for their input and I spoke to the MN Sales and Use Tax Department.

Based on this combined information we have concluded the following:

- The following information applies when Areas and Groups are purchasing items directly from NAWS. NAWS does not charge sales tax on any purchases shipped outside of California.
- If an Area purchases from a supplier and pays sales tax on those purchases the Area does not need to again charge sales tax to its members unless the Area is adding a mark-up. The sales tax would then be calculated on the additional mark-up and reported to the State.
- This information applies no matter the value of the purchases. There are no minimum thresholds that apply to a nonprofit organization or a business.
- Clothing is exempt from Minnesota Sales and Use Tax. Clothing means all human wearing apparel suitable for general use. Examples include: caps, hats, sweatshirts, t-shirts, jerseys, bandanas. For a detailed list of all clothing definitions see MN Sales Tax Fact Sheet 105. https://www.revenue.state.mn.us/sites/default/files/2021-02/FS105.pdf

Areas Purchasing from NAWS

- Sales Tax
  - An Area is expected to collect (charge) and remit Sales Tax on literature and other merchandise (e.g., medallions, key tags, coffee mugs) when the items are sold to groups or individuals whether or not the Area charges an additional mark-up.
- Use Tax
  - An Area is liable for use tax if the Area purchases items from NAWS that are then used by the Area or given away at no charge. (Unless the Area has received a sales tax exemption status from the State).
  - Examples:
    - 12 Concepts Booklets distributed to Area Committee members
    - Pamphlets given away at a PR event
    - Books donated to a library
    - Literature given to jails and institutions
    - Startup kits given to new groups

Groups

- Groups that purchase items from an Area and have paid sales tax on those purchases, and resells those items to its members, do not need to charge sales tax. Groups are simply acting more or less as distribution points for members to gain literature.

Individuals

- Minnesota Use Tax applies when you buy, lease, or rent taxable items or services and the seller does not charge Minnesota Sales Tax.
- Individuals may buy up to $770 worth of taxable goods during the calendar year without paying use tax.
- If you buy more than $770 of taxable items in a calendar year, all of your purchases are taxable.
- If the items you're buying are for use in a business (or a nonprofit), the $770 exemption does not apply

USA banking, EIN and tax liability

NA World Services Bulletin

#32 (Revised November 2005)
USA banking, EIN, and tax liability information

This paper, written in 2005, is meant to provide interested groups with information regarding three related topics: 1) group bank checking (demand deposit) accounts, 2) Employer Identification Numbers, and 3) potential tax liability. Please keep in mind that the information is directed toward the NA groups that are in the USA and may at any time become outdated by some action beyond our purview. Further, this information may not be applicable for NA service committees. We suggest that NA service committees in the USA contact a licensed local tax professional for advice on these matters.

GROUP CHECKING
(DEMAND DEPOSIT) ACCOUNTS

Many NA groups make the decision to utilize a bank checking account to help manage and protect the NA funds they collect. While this commitment to accountability is commendable, caution should be exercised when a group decides to open a bank checking account. Such accounts typically require an Internal Revenue Service (IRS) identification number to be obtained. Two different numbers are used for this purpose: a Social Security Number (SSN) for individuals and an Employer Identification Number (EIN) for groups and entities other than individuals. These identification numbers can be used by the IRS for financial tracking purposes, and banks are required to report certain account activity information to the IRS, large cash deposits and interest income, for example.

It is important that NA groups refrain from using an individual's SSN to open a checking account. If an individual's SSN is used to open an account, he or she will be held responsible for the financial activity of that account regardless of whether he or she has knowledge of or has participated in the checking account activity. Also, the funds in the account may be considered the personal funds of the individual whose SSN is on the account, and in some cases may be accessed by that individual as long as that SSN is on the account. For these reasons, we recommend that any group that decides to open a checking account use only an EIN.

Please keep in mind that using a SSN to open an account is different from supplying identification, like a driver's license number, for authorized signatures on an account. Banks typically require those who have the authority to withdraw funds to supply specific information to be kept on record at the bank. This information is not used to initiate the bank account, does not assign IRS responsibility for account activity, and is changed as signatures on the account change.

EMPLOYER
IDENTIFICATION NUMBER

The Employer Identification Number, also known as a federal tax identification number, is used by the IRS for identification purposes. If your group is interested in acquiring an EIN, you will need to complete IRS Form SS-4. A copy of the form can be obtained by contacting the IRS, logging on to their website at http://www.irs.gov/index.html, or stopping by a US Post Office. The application form is straightforward, and there is no registration fee.

Here is some information that may help when filling out an EIN application form. The form asks about the type of organization, and usually NA groups will choose "An unincorporated group of individuals." The form also asks the reason for applying for the number, and most groups will select "for banking purposes only." In addition, we recommend that when asked, the activities of the group be stated simply so as to be understandable to those outside of NA, for example, "provide a non-medical, self-help atmosphere for those with drug problems to stop using drugs" would probably work well.

The EIN may take a few weeks to be issued, or you can contact the IRS via phone to obtain the EIN on the same day, before sending the application. Once your group is assigned an EIN, you may receive a notice from the IRS to file a Form 940 or 941 (for employers); simply return the notice marked "no employees and no payroll" as long as that is the case. Care should be taken not to use the number for any purpose other than the group's business. It is important to keep in mind that the original applicant is responsible for all financial activity linked to the EIN. If anyone uses the number inappropriately, it may cause a report to be made to the IRS and result in considerable difficulty to the EIN holder.

Any NA group that acquires an EIN should consider that the IRS could at some point in time contact them and request valid financial activity information. This is one reason that NA groups will want to maintain detailed records, including treasurer's records, bank statements, receipts and any other documentation of their financial activities. We suggest that NA groups maintain accurate financial records by using the group record worksheets in the *Group Treasurer's Workbook*. The worksheets and other above mentioned records should be kept for at least five years.

Care should be taken when assigning responsibility for storage of the records, so that they remain available to the group if needed.

The EIN is sometimes mislabeled a “nonprofit” number. It is not, nor is it a “tax-exempt” number. For more information on issues of nonprofit and tax-exempt status, see the following sections of this bulletin.

TAX LIABILITY

Whether an NA group must file a tax return depends on how much money they receive each year. Though we cannot say definitively who needs to file a return, we can say that an NA group that takes in less than $5,000 total income (regardless of the source) in a year is typically not required to file a tax return. If your group takes in more than $5,000 or there are any special circumstances, we suggest checking with a licensed local tax professional for advice on how to best meet your IRS reporting obligations, if any.

Nonprofit Organizations

A nonprofit organization is one that, when it generates income in excess of expenses, does not use that excess in ways that personally “profit” its members or directors. For example, if a group collected $1,000 during the year and actually spent only $900, the group would not divide the leftover $100 among its members. The money can, however, be used to reimburse individuals for personal expenses incurred from activities related to the purpose of the organization. In other words, reimbursing gas or meal expenses for a trusted servant who is required to travel as part of his or her service commitment would not be in conflict with the nonprofit concept. Nor is it a conflict for an NA group to send money to service boards or committees to fund their work in service to the fellowship.

While NA groups practice the principle of being nonprofit, the legal status of an NA group is a different matter. Such status is discussed further in the next section.

Tax-Exempt Status

As we said earlier, acquiring an EIN and securing tax-exempt status are two different things. An EIN can be obtained relatively easily; tax-exempt status is a much more complex endeavor. Typically, tax-exempt status is achieved as part of the process of becoming a corporation. The IRS number associated with this type of corporation is 501C-3, also known as a not-for-profit corporation. This sometimes-costly process of incorporating requires formal, detailed reporting and financial accountability to the IRS and state agencies on an ongoing basis. For these reasons, we recommend against incorporating and seeking tax-exempt status for most NA groups whose annual gross income is below $5,000. If your group takes in more that $5,000 annually, while NA World Services is available as a resource, we strongly recommend also discussing the topic with a licensed tax professional familiar with not-for-profit and tax-exempt entities.

It is also important to remember that a tax-exempt or not-for-profit status cannot be “loaned” to any other element of the fellowship. If an NA group does not have tax-exempt status and that status is required in order to secure a facility, they may want to find an alternative location for activities or meetings.

State Sales Tax or End-User Tax

The last tax liability topic we will address is sales tax or end-user tax liability. Many states require consumers to pay a tax on goods and services purchased or used in their states. Typically, NA groups must pay these taxes. We recommend to those groups who have secured 501C-3 status to check with their state tax agency for the application of this tax in their state.

CONCLUSION

We hope this information is helpful to your group in your efforts to meet your financial responsibility to the fellowship and any government agencies. As always, thorough discussion among interested members will serve best in your decision-making efforts. We also suggest seeking guidance from an informed licensed tax professional whenever there is a question. Finally, we remain available as a resource for you.

Regional Delegate Report

July 2022

www.naminnesota.org

Sign-up for *A Spiritual Principle A Day* daily emails: https://na.org/?ID=subscribe

June Conference Participant (CP) Webinar

- WSC 2023 Conference Agenda Report (CAR) will include a World Board (WB) motion to recognize virtual meetings/groups
- WSC 2023 CAR will include a WB motion on the Future of the World Service Conference (WSC) to address the increased and unsustainable cost and size of the conference. The 2023 WB motion will include asking the fellowship to approve a three-year conference cycle and opt-in funding, as addressed in the following excerpts from the WB:

  > *Cycle Length The question of cycle length seems like a logical place to start thinking about change.* ***A three-year cycle*** *would reduce human & financial resources, allowing us to allocate some of those resources to the wider world of NA Fellowship development. It would provide more time for collaborative planning and for the discussions that help shape future work.*
  >
  > *Opt-in Funding In a way, the second recommendation,* ***to make funding opt-in rather than opt-out, is simpler****. Again, we want to emphasize that funding would be available for the delegate of any seated participant without question*

- Opt-in funding for Delegate expenses to future WSC's was not disputed at the interim WSC 2022; many seated regions, including Minnesota, already fund their delegate team, and NAWS funding would still be available for seated Region/Zonal Delegates that cannot afford it.

- The WBs proposed 3-year WSC cycle length for two cycles: 2023-2026 & 2026-2029 does not have unanimous support among CP's.

  - Con: Regions and Zones, including Minnesota, currently have two-year terms for their delegates which would potentially mean a 6-12 year commitment vs. 4-8 years for members in an RD-RDA service position.
  - Con: Timely response to world fellowship concerns would be limited
  - Pro: 3-year cycles allow for additional opportunity to gather group conscience on the CAR
  - Pro: Regions and Zones will have additional time to budget for delegate expenses and WSC expenses would, of course, be decreased

Regional Delegate Report

July 2022

www.naminnesota.org

CP Webinars continue to propose additional ideas to improve efficiency and financial sustainability of the WSC:

• Hold a partial virtual WSC between in-person meetings
• Incorporate WCNA into the work of the conference cycle in some way, since the two events, the conference and convention, would both be on three-year cycles.
• Work toward better handling and processing of CAR motions. Develop processes for the body to build the CAR together, including CP assisting to prioritize, process, or vet motions.
• Make decisions on some "old business" items virtually before the in-person WSC meeting so that the time together can be focused on the cycle ahead.
• Evolve the WSC into a planning conference with more training, mentorship, and conversation.
• Help participants disseminate information and build relationships within their regions and zones.

- **DRT/MAT survey is here!** The 2018 WSC adopted a motion charging NA World Services with creating a project for a new piece of recovery literature about DRT/MAT as it relates to NA. We can share our input in a survey at www.na.org/survey for what to include in a piece of NA recovery literature about this topic. Please fill out the survey, and help spread the word! The survey will be posted through the end of November.

- **Revision of the Loner IP survey!** The WSC 2018 approved revision of the Loner IP will be underway, beginning with a **survey that will come out in August** for member input. Workshop materials are available NOW at Loner IP Revision Workshop

- **The 2023 CAR has a HUGE backlog of motions** leftover from the 2018 WSC that was cut short due to the pandemic! If we have ideas for projects and work, the WB requests that we submit these for inclusion in a worldwide survey, rather than propose new motions for the CAR.

In Loving Service, Minnesota Regional Delegate Team

Digital Project Team Report 7.9.22

Hello family!
We are busy with events and adding new meetings! We are also training in a new member to help keep things flowing.

For clarification on events posted on our website. Please use the form found in the service community section to have an event posted. One member of the event committee can get training and access to be able to run a report to see your registrations. Online registration remains open until the event unless other arrangements are made in advance. Once the event is over, a settlement is done and payment is issued once we recieve a mailing address. This process takes approx. 2 weeks. If you need these monies to pay invoices or other bills for the event, please be aware of the timeline. This is a very busy time of year for everyone.

I will be adding a link to download the waiver for water activities provided by the insurance agent.

We continue to offer training for area webservants. No attendance in the last 2 months. If you are interested in training please reach out or register on the events page.

Thanks for letting me serve
Amanda